
State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Filing at a Glance

Company:	The Prudential Insurance Company of America
Product Name:	Group Long Term Care Insurance
State:	Virginia
TOI:	LTC03G Group Long Term Care
Sub-TOI:	LTC03G.001 Qualified
Filing Type:	Rate
Date Submitted:	07/01/2019
SERFF Tr Num:	PRUD-131998709
SERFF Status:	Closed-Approved
State Tr Num:	PRUD-131998709
State Status:	Approved
Co Tr Num:	IIGHGLTC2RATE-RP-VA PRE RS
Effective	On Approval
Date Requested:	
Author(s):	Raenonna Prince, Karen Keller, Arun Paul, Meong Kwak, Adjani Delgado, Aishwarya Grover
Reviewer(s):	Bobby Toone (primary)
Disposition Date:	03/29/2022
Disposition Status:	Approved
Effective Date:	

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

General Information

Project Name: GLTC-2 Re-Rate (Pre RS) Status of Filing in Domicile: Pending
Project Number: 7G-2018 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments: Filed Concurrently.
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Association, Employer Overall Rate Impact: 73.4%
Filing Status Changed: 03/29/2022
State Status Changed: 03/29/2022 Deemer Date: 12/11/2021
Created By: Raenonna Prince Submitted By: Raenonna Prince
Corresponding Filing Tracking Number:
State TOI: LTC03G Group Long Term Care State Sub-TOI: LTC03G.001 Qualified

Filing Description:

Please refer to the Cover Letter Attached to the Supporting Documentation Tab of this filing.

Company and Contact

Filing Contact Information

John Timmerberg, Vice President and john.timmerberg@prudential.com
Actuary
751 Broad Street 973-802-6596 [Phone]
11th Floor, Plaza
Newark, NJ 07102

Filing Company Information

The Prudential Insurance CoCode: 68241 State of Domicile: New Jersey
Company of America Group Code: 304 Company Type: Life
751 Broad Street Group Name: State ID Number:
Newark, NJ 07102-3777 FEIN Number: 22-1211670
(973) 802-6000 ext. [Phone]

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
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Filing Fees

State Fees

Fee Required?	No
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Retaliatory? No

Fee Explanation:

State: Virginia Filing Company: The Prudential Insurance Company of America
 TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Bobby Toone	03/29/2022	03/29/2022

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bobby Toone	11/03/2021	11/03/2021
Info has been requested from company	Bobby Toone	07/13/2021	07/13/2021
Info has been requested from company	Bobby Toone	03/30/2021	03/30/2021
Info has been requested from company	Bobby Toone	02/17/2021	02/17/2021
Info has been requested from company	Bobby Toone	11/30/2020	11/30/2020
Info has been requested from company	Bobby Toone	10/15/2020	10/15/2020
Info has been requested from company	Bobby Toone	05/19/2020	05/19/2020
Info has been requested from company	Bobby Toone	05/15/2020	05/15/2020
Info has been requested from company	Bobby Toone	04/07/2020	04/07/2020
Info has been requested from company	Bobby Toone	02/03/2020	02/03/2020

Response Letters

Responded By	Created On	Date Submitted
Raenonna Prince	11/11/2021	11/11/2021
Raenonna Prince	08/12/2021	08/12/2021
Aishwarya Grover	04/28/2021	04/28/2021
Raenonna Prince	04/02/2021	04/02/2021
Meong Kwak	01/29/2021	01/29/2021
Raenonna Prince	11/05/2020	11/05/2020
Raenonna Prince	06/18/2020	06/18/2020
Raenonna Prince	06/15/2020	06/15/2020
Raenonna Prince	05/06/2020	05/06/2020
Raenonna Prince	02/04/2020	02/04/2020

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
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Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bobby Toone	11/15/2019	11/15/2019

Response Letters

Responded By	Created On	Date Submitted
Raenonna Prince	12/06/2019	12/06/2019

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	Appendix D - Rate Pages - (VA GLTC-2)	Raenonna Prince	10/22/2021	10/22/2021
Supporting Document	L&H Actuarial Memorandum	Raenonna Prince	10/22/2021	10/22/2021

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuary Report & Final Opinion	Reviewer Note	Bobby Toone	04/19/2021	
RRS	Reviewer Note	Bobby Toone	04/13/2020	

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
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Disposition

Disposition Date: 03/29/2022

Effective Date:

Status: Approved

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Prudential Insurance Company of America	73.400%	73.400%	\$186,116	178	\$253,564	73.400%	73.400%

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate (revised)	Appendix D - Rate Pages - (VA GLTC-2)	Approved	Yes
Rate	Appendix D - Rate Pages - (VA GLTC-2)	Withdrawn	No
Supporting Document	Certification of Compliance	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Filing Cover Letter	Received & Acknowledged	Yes
Supporting Document	Appendix C - Description of Experience Analysis and Assumption Setting	Received & Acknowledged	Yes
Supporting Document	Appendix C - Exhibit 1 - Mortality Details - GLTC	Received & Acknowledged	Yes
Supporting Document	Appendix C - Exhibit 2 - Lapse Details	Received & Acknowledged	Yes
Supporting Document	Appendix C - Exhibit 3 - Morbidity Details - GLTC	Received & Acknowledged	Yes
Supporting Document (revised)	VA - Certificateholder Advance Notification Letter - John Doe Versions	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 12-6-2019	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 5-6-2020	Received & Acknowledged	Yes
Supporting Document	VA GLTC2 Current Rates 2020-05-04	Received & Acknowledged	Yes
Supporting Document	GLTC2 Original Act Memo	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 6-15-2020	Received & Acknowledged	Yes
Supporting Document	GLTC2 Rate Increase History	Received & Acknowledged	Yes

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
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Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	VA Pre-RS GLTC2 Projections - with Formulas	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 6-18-2020	Received & Acknowledged	Yes
Supporting Document	2018 GLTC Morbidity & Persistency Assumptions	Received & Acknowledged	Yes
Supporting Document	Model Formulas	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 11-5-2020	Received & Acknowledged	Yes
Supporting Document	VA GLTC2 Pre RS Projections	Received & Acknowledged	Yes
Supporting Document	2020-11-30 Objection Response Package	Received & Acknowledged	Yes
Supporting Document	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc	Received & Acknowledged	Yes
Supporting Document	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc	Received & Acknowledged	Yes
Supporting Document	VA GLTC2 Cost Sharing Approach	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 4-2-2021	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 3-30-2021	Received & Acknowledged	Yes
Supporting Document	Letter of Response - 11-11-2021	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	VA - Certificateholder Advance Notification Letter	Withdrawn	No
Supporting Document	VA - Certificateholder Advance Notification Letter	Withdrawn	No

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/03/2021
Submitted Date	11/03/2021
Respond By Date	12/03/2021

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The narrative included in the Rate Request Summary is showing a requested increase of 106%, as opposed to the new 73.4% increase shown in the Rate/Rule Schedule and the Actuarial Memorandum.

Please revise the narrative to show the correct rate increase and also the implementation of the increase over 2 years.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: In section 13 of the Actuarial Memorandum, please revise the first paragraph to show the increase will be implemented over 2 years.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Sincerely,

Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	07/13/2021
Submitted Date	07/13/2021
Respond By Date	08/12/2021

Dear John Timmerberg,

Introduction:

Objection 1

- VA - Certificateholder Advance Notification Letter (Supporting Document)

Comments: As these documents have previously been approved, the Manual of Variable language is not required. Also, please replace the other documents with "John Doe" versions, completed in the same manner that will be sent to a policyholder, with no variability or annotations.

Conclusion:

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/30/2021
Submitted Date	03/30/2021
Respond By Date	04/29/2021

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

Comments: Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why no reports have been submitted for these forms.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
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Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/17/2021
Submitted Date	02/17/2021
Respond By Date	03/19/2021

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Should you need clarification, please contact me

Thank you for your courtesy and consideration in this matter.

Sincerely,

Bobby Toone

Long-term Care Insurance

Approaches to Reviewing Premium Rate Increases

NAIC LTC Pricing Subgroup
October 2018

Executive Summary

Several years ago, the NAIC Long-term Care Pricing Subgroup proposed changes to the NAIC Long-term Care (LTC) Model Regulation (Model 641) aimed at strengthening the pricing of LTC insurance. These proposed changes were adopted by the NAIC in August of 2014. These changes apply to LTC insurance policies issued on or after the date that the state where the policy is issued adopts the changes.

Despite these changes, along with changes made to the pricing methodology of LTC insurance in 2002, carriers find themselves in situations where they must increase premium rates in order to cover future expected claims. Most of these increases are implemented on blocks that are no longer open to new business. Regulators often treat the review and approval of these rate increases differently.

Over the past year, the LTC Pricing Subgroup studied and discussed approaches used by various states to review LTC rate increases. These approaches were discussed on public calls consisting of regulators, industry representatives, and consumer advocates. Through that process, this document was developed to serve as a resource that states can use in their review of LTC rate increases. The goal is to create a more predictable and transparent process for reviewing LTC rate increase filings.

Scope

This document describes two methodologies for computing rate increases for LTC insurance policies. Regulators should consider applicable laws in their state when applying these methods to a particular block of policies.

Background

Prior to 2002, LTC insurance was priced using a fixed lifetime loss ratio methodology. This methodology was meant to ensure that premium rates were not too high. However, as experience evolved, the premiums set using this methodology proved to be inadequate, leading to large rate increases. In addition, this approach allowed for the portion of the premium available for expenses and profit to increase when actual claims were higher than what was expected when the product was initially priced.

In 2002, a new method of pricing LTC insurance was adopted by the NAIC. This new method, known as the rate stabilization methodology, moved away from fixed loss ratios applied to initial premiums and moved to a rating methodology designed to increase the probability

that premiums will remain unchanged for the life of the contract, even under moderately adverse experience.

Even under the revised methodology, policyholders continue to experience large rate increases. In response, the NAIC Long-term Care Pricing Subgroup proposed changes to the NAIC Long-term Care Model Regulation (Model 641) aimed at strengthening the pricing of LTC insurance. These proposed changes were adopted by the NAIC in August of 2014. These changes apply to LTC insurance policies issued after the date that the state where the policy is issued adopts the revised regulation. The new model does not address rate increases consumers are experiencing on existing business.

The LTC Pricing Subgroup turned its focus to the review of these rate increases with the goal of developing a framework to achieve greater transparency and predictability in the review and approval of requests for LTC insurance rate increases.

Approaches

As a starting point, the subgroup surveyed states on various practices surrounding their review of LTC insurance rate increases. One of the first steps in the process was to develop consistency when using certain terms, including the term “recoupment of past losses”, when used in our discussions. For purposes of this document, the subgroup developed a consistent understanding of different categories of past losses.

The following charts illustrate the streams of potential losses or deficiencies stemming from two general sources – those stemming from past and future premiums being insufficient, and those stemming from past and future incurred claims being worse than expected.

At the time of a rate increase, sources of potential past premium deficiencies come from premiums that were paid by policyholders who:

- are active
- are in paid-up status (i.e., they are not on claim, but are no longer paying premium under the terms of the policy but may have future claims)
- have lapsed coverage, (i.e., they are not paying premium, are not on claim, and cannot have future claims)
- are disabled (i.e., on claim)

At the time of a rate increase, sources of future premiums come from the following two groups:

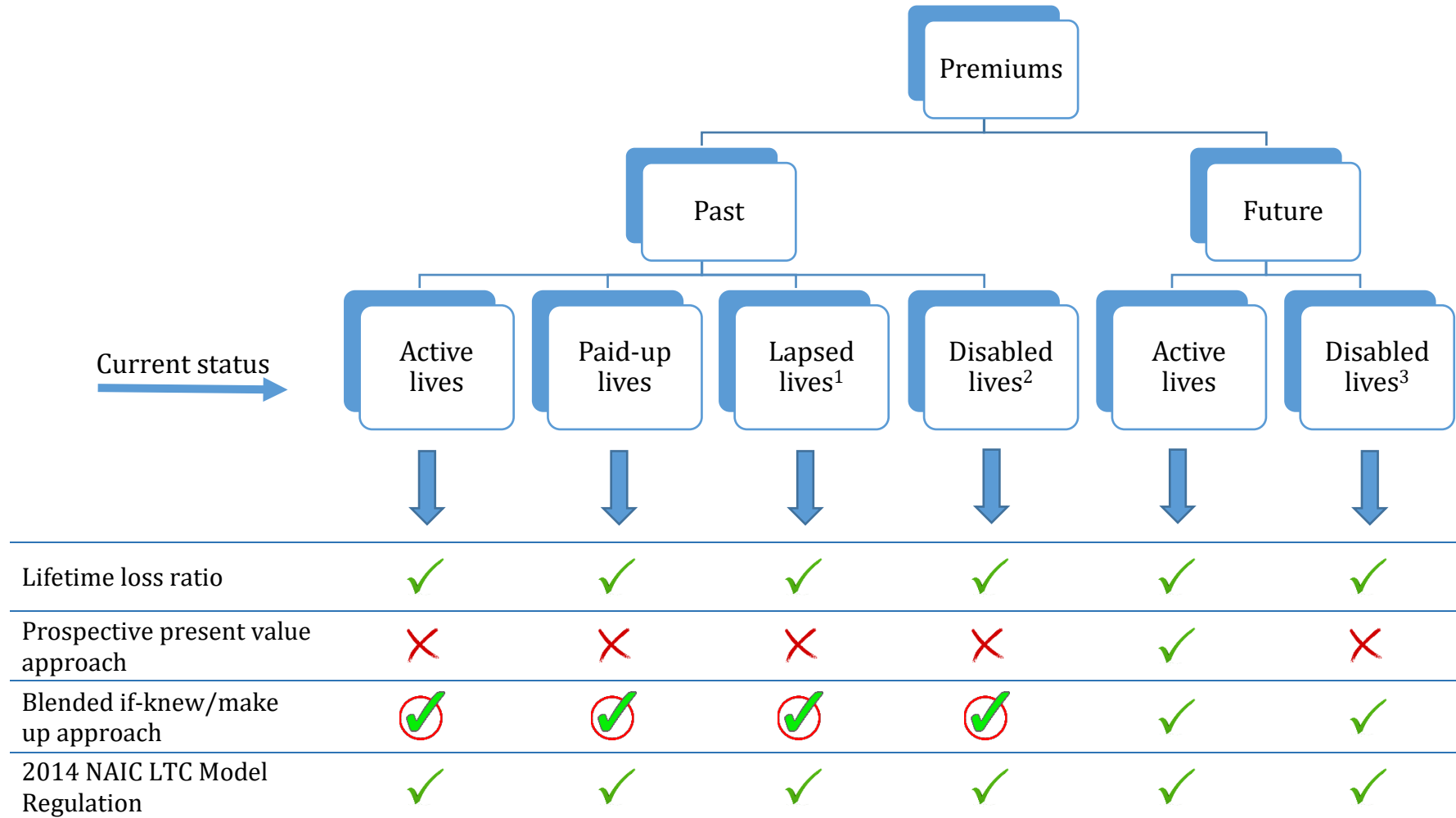
- policyholders who remain active and continue paying premiums
- policyholders who are currently on claim but recover and begin paying premiums again

At the time of a rate increase, sources of future incurred claims are:

- active premium paying policyholders who go on claim in the future

- disabled policyholders who are currently on claim, recover, and go on claim again in the future
- paid-up policyholders – this source of future claims is recognized in lifetime loss ratio calculations but not in projections of future claims for rate increases

Premium Shortfall Categories at the Time of a Rate Increase Request



¹ Includes voluntary lapses and those who died prior to generating a claim

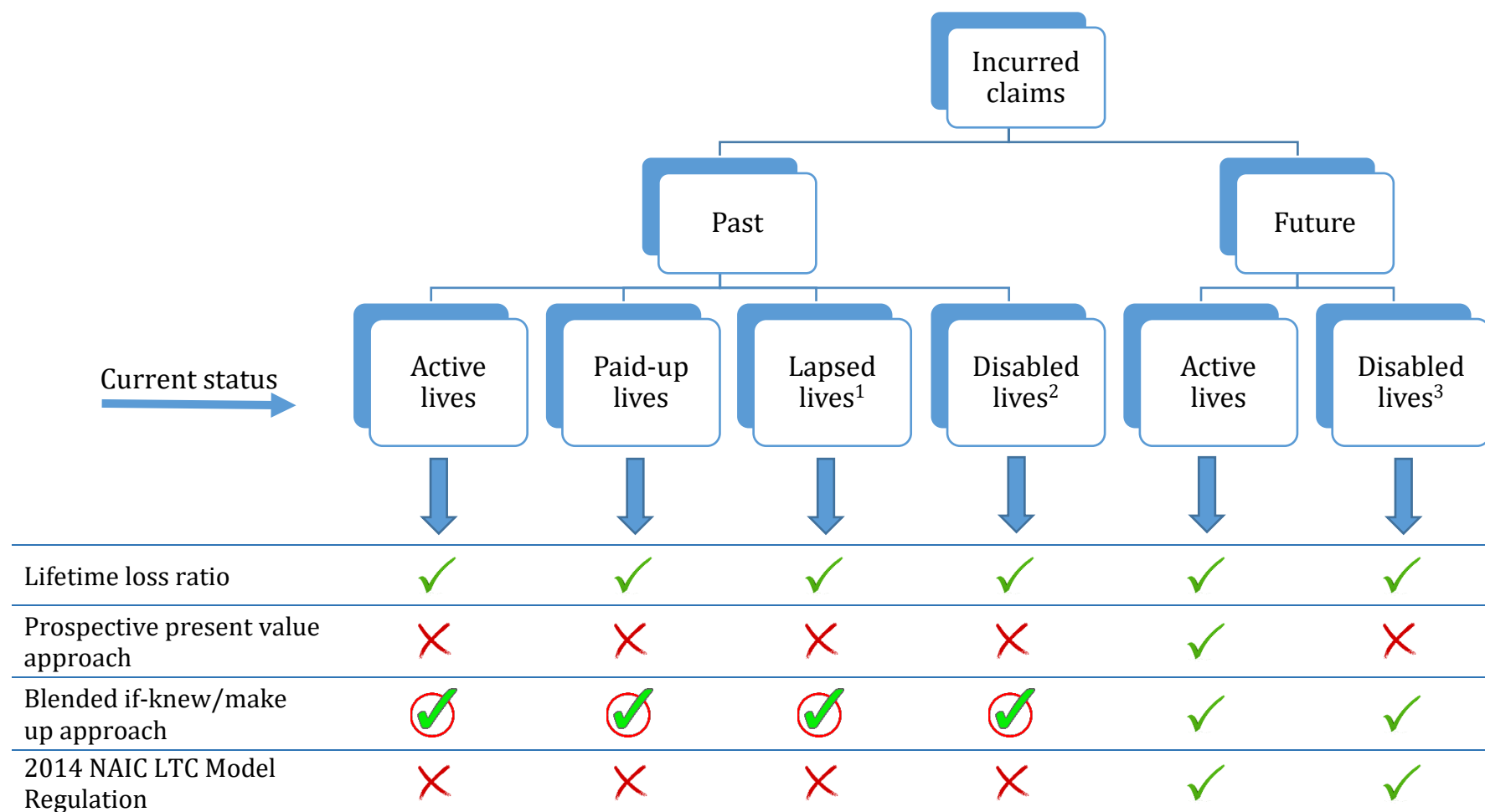
² Includes those who died while on claim and those who exhausted their benefits

³ Current disabled lives who might recover in the future and resume paying premiums

✗ indicates that the category is not reflected in the methodology, and any deficiency needs to be funded from a source other than a rate increase.

However, the deficiency could be mitigated by catch-up and transitional adjustments to the prospective PV approach. ⊗ indicates a partial recoupment since the method blends if-knew, which does not allow for any recoupment, and make up, which allows for full recoupment.

Categories of Adverse Claims Experience at the Time of a Rate Increase Request



¹ Includes voluntary lapses and those who died prior to generating a claim

² Includes those who died while on claim and those who exhausted their benefits

³ Current disabled lives who might recover in the future and resume paying premiums

✗ indicates that the category is not reflected in the methodology, and any deficiency needs to be funded from a source other than a rate increase.

However, the deficiency could be mitigated by catch-up and transitional adjustments to the prospective PV approach. ⊗ indicates a partial recoupment since the method blends if-knew, which does not allow for any recoupment, and make up, which allows for full recoupment.

As a second step in the process, the pricing subgroup identified several general methodologies that were consistently used across states. These are:

- The lifetime loss ratio approach, which allows for full recoupment of past losses and often results in the largest rate increase
- Unique state approaches, which are designed to limit the recoupment of past losses
- The amended model regulation, which, like the state approaches, limits the recoupment of past losses

The two state approaches discussed in the pricing subgroup are described below.

Prospective PV approach

This approach avoids a recoupment of past losses by considering only future projections. The following formula is used to compute an allowable rate increase for a block of LTC insurance policies:

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left(\frac{.58 + .85C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.85 PV_{\text{current}}(\text{future earned premiums})}$$

where:

- Δ indicates the change in present value (PV) due to the change in actuarial assumptions between the time of the last rate increase (or the original assumptions if there was no prior rate increase) and the current assumptions
- C is the cumulative percent rate increase to date. For example, if the current rate, prior to the proposed rate increase, is 50 percent higher than the rate at initial pricing, then $C = .5$

The *current* subscript in the denominator indicates that the PV should be computed using current assumptions. The future earned premiums in the formula are based on the current premiums prior to the proposed rate increase. Regulators may wish to consider the addition of margin to the rate increase. For example, the $\Delta PV(\text{future incurred claims})$ term in the above formula could be multiplied by 1.1 to represent a 10 percent margin.

The formula is limited to **active, premium-paying policyholders** as of the time of the filing. All present value calculations in the formula should be based on the same set of current active lives.

For pre-rate stabilized policies, one could use .6 in place of .58 and .8 in place of .85:

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left(\frac{.6 + .8C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.8 PV_{\text{current}}(\text{future earned premiums})}$$

Justification for the formula

The numerator represents the amount of additional funding needed, on a prospective basis, as a result of the change in actuarial assumptions. This amount reflects the increase in the PV of incurred claims, and is partly offset by the increase in the PV of future net premiums, where net premiums are computed by multiplying gross premiums by the loss ratio.

To compute the loss ratio, if P_0 is the premium at initial pricing and P is the current premium prior to the proposed rate increase, then:

$$P = P_0(1 + C)$$

so

$$P_0 = \frac{P}{1 + C}$$

The portion of current premium due to prior increases is:

$$P - P_0 = P - \frac{P}{1 + C} = \frac{PC}{1 + C}$$

Applying a 58 percent loss ratio to the initial premium and an 85 percent loss ratio to the increase portion, the loss ratio is:

$$\frac{.58 \frac{P}{1 + C} + .85 \frac{PC}{1 + C}}{P} = \frac{.58 + .85 C}{1 + C}$$

Since a loss ratio of 85 percent applies to the rate increase, which provides the additional funding needed, then:

$$.85 \Delta PV_{\text{current}}(\text{future earned premiums}) = \Delta PV(\text{future incurred claims}) - \left(\frac{.58 + .85 C}{1 + C} \right) \Delta PV(\text{future earned premiums})$$

The percentage rate increase, computed as $\Delta PV / PV$ of future earned premiums, is found by dividing both sides of the above equation by $.85 PV_{\text{current}}(\text{future earned premiums})$:

$$\text{rate increase \%} = \frac{\Delta PV(\text{future incurred claims}) - \left(\frac{.58 + .85 C}{1 + C} \right) \Delta PV(\text{future earned premiums})}{.85 PV_{\text{current}}(\text{future earned premiums})}$$

Possible Modifications to Prospective PV approach

The prospective PV formula is intended to produce a rate increase that is adequate to fund the projected increase in future claim liabilities. However, a regulator should consider modifications to the formula based on the following:

- Disapproval of a prior actuarially justified rate increase.
- A prior actuarially justified rate increase reduced by the regulator.
- Approval of a prior actuarially justified rate increase after significant delay, offset by any company delay in filing for an actuarially justified rate increase.

Note that the use of any prior “actuarially justified” rate increase requires justification and support, which may vary by company and by state. The use and amount of any prior actuarially justified rate increase must be agreed to by both the regulator and the company.

Examples of the modifications that could be made to the prospective PV formula are described below:

Catch-up Provision (For rate increase requests denied or delayed)

If part of a past rate increase request has been denied, or if there was a material delay in the prior approval, for the new rate to be consistent with the underlying methodology of the Base Formula, a company must be granted an additional rate increase amount, called the catch-up provision. The catch-up provision is designed to reflect in a new rate increase the necessary additional premiums based on the assumptions provided to the department at the time of the previous rate increase request that were not approved with the prior filing(s). It will not take into account any deviation in actual experience from assumed experience during that time period.

$$\begin{aligned} \text{Catch-up rate increase \%} = & \frac{\text{AV}(\text{premiums requested}^P) - \text{AV}(\text{premiums approved}^P)}{\text{PV}_{\text{current}}(\text{future earned premiums})} \\ & + \frac{\text{PV}(\text{premiums requested}^F) - \text{PV}(\text{premiums approved}^F)}{\text{PV}_{\text{current}}(\text{future earned premiums})} \end{aligned}$$

Where:

AV is the Accumulated Value at the time of the new rate increase request using the actuarial assumptions made at the time of the previous rate increase request(s).

PV is the Present Value at the time of the new rate increase request using the actuarial assumptions made at the time of the previous rate increase request(s).

Premiums Requested^P is the total past premiums that would have been collected had the entire rate increase request been granted in a timely manner based on the actuarial assumptions made at the time of the previous rate increase request(s)

Premiums Requested^F is the total future premiums that would have been collected had the entire rate increase request been granted in a timely manner based on the actuarial assumptions made at the time of the previous rate increase request(s)

Premiums Approved^P is the total past premiums that were collected based on the rate increase approved at the time of the previous rate increase request(s)

Premiums Approved^F is the total future premiums that would have been collected based on the rate increase approved at the time of the previous rate increase request(s)

For pre-rate stabilized policies, use .8 in place of .85.

Transition Provision (For Pre-Rate Stability products and other products where the last rate increase requests was voluntarily reduced by the company)

If the prior rate increase request was not subject to the Rate Stability actuarial certification or a past rate increase request has been voluntarily reduced from the amount per such certification, a transition period needs to be established for companies to make a single filing to provide the full amount of premium necessary to meet the actuarial certification (consistent with the Model Bulletin calculation requirements). This transition filing would establish the assumptions to be used as the “prior assumptions” for future Base Formula requests and the maximum “Prior Premium” scale for these policies based on those prior assumptions. For any new filing of a rate increase to the Prior Rate scale to be consistent with the underlying methodology of the Base Formula, a company must be granted increases from the current approved premium scale up to but not above the maximum Prior Premium scale as part of the Transition amount. In this instance, the company will not be allowed to recapture past premiums that would have been collected if the rate increase request had not been voluntarily reduced. To the extent that a company requests a Transitional increase and a state denies or reduces the amount, the amount denied would be allowed in future rate increase requests under the Catch-Up Provision.

$$\text{Transition rate increase \%} = \frac{\text{PV}(\text{premiums justified}) - \text{PV}(\text{premiums requested})}{\text{PV}_{\text{current}}(\text{future earned premiums})}$$

Where:

PV is the Present Value using the actuarial assumptions made at the time of the previous rate increase request(s).

Premiums Justified is the total future premiums that would have been collected had the previous rate increase request been based upon the entire amount calculated in the Base Formula and Catch-up Provisions at the time of the previous rate increase request(s)

Premiums Requested is the total future premiums that would have been collected based on the entire rate increase requested at the time of the previous rate increase request(s)

For pre-rate stabilized policies, use .8 in place of .85.

Calculation of Entire Rate Increase

Total Rate Increase = Base Formula Increase % + Catch-up Increase % + Transition Increase %

Blended If-Knew/Make-up Approach

This approach begins with the computation of if-knew and makeup rate increases, as described in the definitions below. Next, a blended average is computed between the if-knew and make-up increases, where the makeup component is weighted based on the percentage of original policyholders remaining in active, premium-paying status. Finally, a cost-sharing function is applied to determine the portion of the rate increase that is paid by policyholders, while the remainder is a cost borne by the company.

This approach requires the use of all components outlined in this section. It is not appropriate to use only one part of this approach to determine a rate increase.

Key definitions include:

- If-knew increase – increase to the premium rates such that the resulting rates, if in effect from inception of the form, would produce the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form
- Make-up increase – increase to the premium rates such that the resulting rates, if in effect in future years, would produce the greater of the initial target lifetime loss ratio or minimum loss ratio applicable to the form
- Blended increase – weighted average of if-knew increase and makeup increase, with the makeup component weighted based on the percentage of the original policyholders remaining in active, premium-paying status
- Cost-sharing increase – blended increase reduced by the cost-sharing formula described below
- Maximum allowable rate increase – an increase that, in addition to any prior rate increase, results in a cumulative rate increase equal to the cost-sharing increase

Cost sharing

This approach requires a state to establish a cost-sharing formula to be applied the rate increase determined under this approach. The table below is an example of a formula where the rate increase is sliced into layers. The policyholder's share of the rate increase decreases with each layer.

Blended increase	Policyholder share of the increase
0-15%	100%
15-50%	90%
50-100%	75%
100-150%	65%
>150%	50%

For example, a blended increase of 70 percent would be sliced into three layers, consisting of 15 percent in the 0-15% layer, 35 percent in the 15-50% layer, and the remaining 20 percent in the 50-100% layer. The policyholder's share of a 70 percent blended increase would be $100\% \times 15\% + 90\% \times 35\% + 75\% \times 20\% = 15\% + 31.5\% + 15\% = 61.5\%$.

The example below illustrates the application of this method. It assumes that the minimum loss ratio applicable to the policy is 60 percent and that at the time of the rate increase filing, 40 percent of the original policyholders remain and are paying premium.

Experience Period	Without current increase			Premium at if knew level			Premium at make up level			With allowable rate increase		
	Earned Premium		Incurred	Earned	Incurred	Loss	Earned	Incurred	Loss	Earned	Incurred	Loss
	Original	Actual	Claims	Premiums	Claims	Ratio	Premiums	Claims	Ratio	Premiums	Claims	Ratio
Past	100	110	50	208	50	24%	110	50	45%	110	50	45%
Future	60	78	150	125	150	120%	223	150	67%	137	150	109%
Lifetime	160	188	200	333	200	60%	333	200	60%	247	200	81%
Loss ratio at the original premium level				125%								
Minimum loss ratio applicable to the form				60%	Layer		PH share					
If-knew increase				108%	15%		100%					
Make-up increase				272%	35%		90%					
Remaining policyholders percentage				40%	50%		75%					
Blended increase				174%	50%		65%					
Cost-sharing increase				128%	24%		50%					
Past rate increase				30%	174%							
Maximum allowable rate increase				76%								

There are many possible refinements of the basic approach described above, such as:

- reducing the allowable increase if the original premiums were unreasonably low (i.e. lower than a benchmark premium calculated using assumptions that are deemed appropriate for the period in which the policy was priced and issued)
- basing the if-knew and make-up increases on a measure of profitability rather than on a target or minimum loss ratio standard

- calculating present values using actual and expected investment returns rather than statutory valuation rates
- specifying how margins for adverse experience and waiver of premium benefits should be treated in the loss ratio calculation
- specifying the level of granularity of the rate increase calculation (i.e. whether the rate increase should vary by benefit features, underwriting criteria, etc.)

NAIC Model Regulation

Section 20.1(C)(2) of the Model Regulation describes a 58/85 loss ratio standard, which recognizes the lesser of actual or expected past claims. The allowable rate increase computed according to the Model Regulation's loss ratio standard applicable on the issue date of the policy, serves as a ceiling when using either of the above approaches.

Comparison of Approaches

Below are summaries of the results produced under each method for three actual rate filings received from three different carriers.

For each carrier, the earned premiums and incurred claims were multiplied by a random number to mask the carrier's actual data. Note that all yearly figures are discounted with interest:

Carrier #1

Summary of rate filing	
Type	Pre Rate Stabilized (Individual)
Rate increase history	40% in 2010; 25% in 2015
Cumulative rate prior increase	$1.40 \times 1.25 - 1 = 75\%$

Accumulated and present values at 4.5% interest rate				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims	Earned premiums	Incurred claims
Past	29,881,320	30,254,745	29,312,302	30,254,745
Future	6,396,557	64,064,583	8,276,125	81,078,884
Lifetime	36,277,877	94,319,328	37,588,427	111,333,629

Summary of calculations	
Estimated % of active policyholders remaining	50%
Lifetime LR	296%
Maximum rate increase under 60/80 lifetime LR standard	1321%
Blended if-knew & makeup components:	
Makeup increase	3268%
"If knew" rate increase	498%
Blended with 50% active policyholders remaining:	1883%
With cost sharing	983%

Blended if-knew & makeup rate increase* (after backing out prior 69.6% cumulative rate increase)	519%
Prospective PV allowable rate increase	238%
* Rate increase assumes: (1) benchmark premium = original premium; and (2) 50% actives remaining.	

Carrier #2

Summary of rate filing	
Type	Rate stabilized (individual)
Rate increase history	None
Cumulative prior rate increase	0%

Accumulated and present values at 4% interest rate				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims	Earned premiums	Incurred claims
Past	2,605,954	41,528	2,605,954	41,528
Future	4,537,414	3,795,819	4,382,489	5,514,785
Lifetime	7,143,367	3,837,347	6,988,442	5,556,313

Summary of calculations	
Estimated % of active policyholders remaining	71%
Lifetime LR	80%
Maximum rate increase under 58/85 lifetime LR standard	40%
Blended if-knew & makeup components:	
Makeup increase	59%
"If knew" rate increase	37%
Blended with 71% active policyholders remaining:	53%
With cost sharing	49%
Blended if-knew & makeup allowable rate increase^{1,2}	49%
Prospective PV allowable rate increase²	49%
¹ Rate increase assumes: (1) benchmark premium = original premium; and (2) 71% actives remaining.	
² The allowable rate increase would be limited to 40% based on the 58/85 lifetime loss ratio standard.	

Carrier #3

Summary of rate filing	
Type	Rate stabilized (individual)
Rate increase history	None
Cumulative prior rate increase	0%

Accumulated and present values at 4.5% interest rate				
	Prior assumptions		Current assumptions	
	Earned premiums	Incurred claims*	Earned premiums	Incurred claims*
Past	1,272,279	221,055	1,272,279	221,055

Future	659,852	1,098,641	864,521	2,561,128
Lifetime	1,932,131	1,319,696	2,136,800	2,782,183

* Projected incurred claims include a 10% moderately adverse experience load.

Summary of calculations	
Estimated % of active policyholders remaining	77%
Lifetime LR	130%
Maximum rate increase under 58/85 lifetime LR standard	210%
Blended if-knew & makeup components:	
Makeup increase	308%
"If knew" rate increase	124%
Blended with 77% active policyholders remaining:	266%
With cost sharing	174%
Blended if-knew & makeup allowable rate increase*	174%
Prospective PV allowable rate increase	183%
* Rate increase assumes: (1) benchmark premium = original premium; and (2) 77% actives remaining.	

Other Considerations

Premium Rate Increase Caps

Some states, either by regulation or administrative practice, place caps on premium rate increases. In particular, New Hampshire adopted a rule that caps rate increases based on the insured's attained age. In general, caps implemented by states have no actuarial basis, but instead are arbitrarily administered.

Although it is understandable that states may favor arbitrary caps in the interest of protecting policyholders from large rate increases, one concern is a potential solvency risk if actuarially justified rate increases are postponed along with the potential for substantial reductions in benefits due to state-specific guaranty fund limits. In addition, the need for future rate increases will be greater based on the degree to which requested rate increases are capped. Many states have worked with companies to successfully address large rate increases through the use of a pre-approved series of incremental increases, allowing rates to reach the appropriate level while fully informing the policyholders of the timing and amount of the full series of increases.

Delays in Filing and Delays in Approval of Rate Increases

Similar to arbitrary rate caps, delays in implementing actuarially justified rate increases due to either a carrier failing to file a needed rate increase, or delays in the regulatory approval of a needed rate increase, can pose a potential solvency risk. Several LTC insurance carriers have commented that delays in the implementation of needed rate increases lead to significantly higher rate increases later. For example, one carrier with a large block of LTC business estimated that each one-year delay of a needed rate increase adds a 5 to 10 percentage point increase to the needed rate increase.

Lifetime Loss Ratio Issue

Some regulators believe it is inappropriate to approve a rate increase that would lead to a lower projected lifetime loss ratio than in the prior rate increase filing. Where the prior filing was consistent with actuarially certified adequate premiums this would generally be an appropriate expectation unless sufficient justification is provided for an exception. Where the prior rate filing was not consistent with actuarially certified adequate premiums (e.g. most pre-rate stability business or filings limited by rate caps) or the company noted in its filing that if experience did not improve that additional rate increase filings are likely, the projected loss ratio from such a prior filing is not an appropriate limit.

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/30/2020
Submitted Date	11/30/2020
Respond By Date	12/30/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- VA GLTC2 Pre RS Projections (Supporting Document)

Comments: Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2003 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$167M) could result in no increase being approved. There may have been a mismatch in providing the reserve for all policies in the GLTC2 block. Please provide the active life reserve as of the projection date for only those policies that are included in the projection; i.e., issued prior to 10/1/2003. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	10/15/2020
Submitted Date	10/15/2020
Respond By Date	11/14/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: 1. For all projections requested in the next question, the baseline should comply with the following:

- a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.
- b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.
- c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.
- d. All discounting should be at the average valuation rate.

2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception

Projections a-e can be separate tabs or combined into separate columns on the same exhibit.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the active life reserve as of the projection date. Note that since the Company has strengthened

State: Virginia **Filing Company:** The Prudential Insurance Company of America
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Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the Company's historical experience.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

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Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	05/19/2020
Submitted Date	05/19/2020
Respond By Date	06/18/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	05/15/2020
Submitted Date	05/15/2020
Respond By Date	06/14/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Based on 14VAC5-200-150 B, benefits will be deemed reasonable for pre-stability policies only when the expected loss ratio is the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus 75% applied to any premium rate increase for group policy forms. Please verify that the loss ratio calculations are in compliance with the regulations.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: In accordance with Virginia Code Section 38.2-1371, all present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, shall use the maximum interest rate for contract reserves. Please verify that all accumulated values were determined in compliance with the Code. If not, make the necessary revisions to assure compliance.

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a copy of all projections in Excel with working formulas.

Objection 5

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.

Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise in which states the company has requested rate increases on this block and describe how the rate changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection 7

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the lifetime loss ratio anticipated in the original filing.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/07/2020
Submitted Date	04/07/2020
Respond By Date	05/07/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum states these policies were issued beginning in 1998. Please state when the last policy forms were issued.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Given the fact that many of these policies have been in effect for 20 or more years, and with all the publicity in the news about Long Term Care policies, please state why the company waited so long to request a rate increase.

Objection 3

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: On page 5 of the rate pages, please explain the Premium Adjustment Factors related to Marketing Strategy and to Billing/Administrative.

Objection 4

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: Please submit a copy of the current rates to Supporting Documentation.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,

Company Tracking #: IIGHGLTC2RATE-RP-VA PRE
RS

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/03/2020
Submitted Date	02/03/2020
Respond By Date	03/04/2020

Dear John Timmerberg,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum refers to several appendices (A, B, C, D, E, and F). The only one found was Appendix C. Please submit the missing appendices.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/15/2019
Submitted Date	11/15/2019
Respond By Date	12/15/2019

Dear John Timmerberg,

Introduction:

The Bureau has completed a preliminary review of this filing and have the following concerns and/or requests. A more detailed and thorough review will be performed once these concerns are addressed.

Please note, any revisions, modifications or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.

Objection 2

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.

Conclusion:

We will be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/11/2021
Submitted Date	11/11/2021

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Michael Zilberman. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The narrative included in the Rate Request Summary is showing a requested increase of 106%, as opposed to the new 73.4% increase shown in the Rate/Rule Schedule and the Actuarial Memorandum.

Please revise the narrative to show the correct rate increase and also the implementation of the increase over 2 years.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 11-11-2021.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 12-5-2019.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf</i>

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 11-11-2021.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 12-5-2019.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf</i>

Satisfied - Item:	Letter of Response - 11-11-2021
Comments:	
Attachment(s):	VA GLTC2PreRS resp to 2021-11-03 Objection.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response 2

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Michael Zilberman. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: In section 13 of the Actuarial Memorandum, please revise the first paragraph to show the increase will be implemented over 2 years.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf VA Act Memo - Revised Rates GLTC2 PreRS.pdf
<i>Previous Version</i>	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf
<i>Previous Version</i>	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA (Pre RS) - Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf VA Act Memo - Revised Rates GLTC2 PreRS.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) - Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase.pdf</i>

Satisfied - Item:	Letter of Response - 11-11-2021
Comments:	
Attachment(s):	VA GLTC2PreRS resp to 2021-11-03 Objection.pdf

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
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Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

SERFF Tracking #:	PRUD-131998709	State Tracking #:	PRUD-131998709	Company Tracking #:	IIGHGLTC2RATE-RP-VA PRE RS
<hr/>					
State:	Virginia	Filing Company:	The Prudential Insurance Company of America		
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified				
Product Name:	Group Long Term Care Insurance				
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/12/2021
Submitted Date	08/12/2021

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

At the Department's request, we have removed the originally approved Group LTC Templates, and replaced those documents with "John Doe" versions.

We have also removed the previously approved Manual of Variable Language document.

Related Objection 1

Applies To:

- VA - Certificateholder Advance Notification Letter (Supporting Document)

Comments: As these documents have previously been approved, the Manual of Variable language is not required. Also, please replace the other documents with "John Doe" versions, completed in the same manner that will be sent to a policyholder, with no variability or annotations.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA - Certificateholder Advance Notification Letter - John Doe Versions
Comments:	<p>These forms were previously reviewed and filed by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969.</p> <p>At the Department's request, the original approved documents have been removed and replaced with the John Doe versions.</p>
Attachment(s):	<p>GRP 115128 - VA Advanced Notification Letter - 2-2019 (John Doe version GLTC2).pdf</p> <p>VA - Change Request Form - 9-2018 (John Doe version GLTC2).pdf</p> <p>GRP 115279 - Frequently Asked Questions - 9-2018 (John Doe version GLTC2).pdf</p>
<i>Previous Version</i>	
Satisfied - Item:	VA - Certificateholder Advance Notification Letter
Comments:	<i>These forms were previously reviewed and filed by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969.</i>
Attachment(s):	<p><i>GRP 115125 - VA Endorsement - 9-2018.pdf</i></p> <p><i>GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf</i></p> <p><i>GRP 115279 - Frequently Asked Questions - 9-2018.pdf</i></p> <p><i>Manual of Variable Language - File Copy - 3-4-2019.pdf</i></p>
<i>Previous Version</i>	
Satisfied - Item:	VA - Certificateholder Advance Notification Letter
Comments:	<i>These forms were previously reviewed and approved by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969.</i>
Attachment(s):	<p><i>GRP 115125 - VA Endorsement - 9-2018.pdf</i></p> <p><i>GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf</i></p> <p><i>GRP 115279 - Frequently Asked Questions - 9-2018.pdf</i></p> <p><i>Manual of Variable Language - File Copy - 3-4-2019.pdf</i></p>

Conclusion:

SERFF Tracking #:	PRUD-131998709	State Tracking #:	PRUD-131998709	Company Tracking #:	IIGHGLTC2RATE-RP-VA PRE RS
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State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
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Voice: 215-658-6281| Cell: 215-990-7186
Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/28/2021
Submitted Date	04/28/2021

Dear Bobby Toone,

Introduction:

Hi,

Please find attached the response to objection dated 03-30-2021.

Thanks & Regards,

Aishwarya

Email-aishwarya.grover@prudential.com

Response 1

Comments:

Hi,

Please find attached the response to objection dated 03-30-2021.

Thanks & Regards,

Aishwarya

Email-aishwarya.grover@prudential.com

Related Objection 1

Comments: Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why no reports have been submitted for these forms.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 3-30-2021
Comments:	
Attachment(s):	VA GLTC2PreRS resp to 2021-03-30 Objection.pdf

Conclusion:

Sincerely,
Aishwarya Grover

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/02/2021
Submitted Date	04/02/2021

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Meong Kwak. The information can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Satisfied - Item:	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Supporting Document Schedule Item Changes	
Satisfied - Item:	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Satisfied - Item:	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Satisfied - Item:	VA GLTC2 Cost Sharing Approach
Comments:	
Attachment(s):	VA GLTC2 Cost Sharing Approach.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Satisfied - Item:	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Satisfied - Item:	VA GLTC2 Cost Sharing Approach
Comments:	
Attachment(s):	VA GLTC2 Cost Sharing Approach.pdf
Satisfied - Item:	Letter of Response - 4-2-2021
Comments:	
Attachment(s):	VA GLTC2 Pre-RS resp to 2021-02-17 obj.pdf

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
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The Prudential Insurance Company of America
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Dresher, PA 19025
Voice: 215-658-6281| Cell: 215-990-7186
Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/29/2021
Submitted Date	01/29/2021

Dear Bobby Toone,

Introduction:

Response 1

Comments:

Please refer to the letter of response and additional response material from our actuarial department. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- VA GLTC2 Pre RS Projections (Supporting Document)

Comments: Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2003 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	2020-11-30 Objection Response Package
Comments:	
Attachment(s):	VA GLTC2 Pre-RS resp to 11-30-20 obj.pdf VA GLTC2 Pre-RS 2020-11-30 Objection Attachments.xlsx

Response 2

Comments:

Please refer to the letter of response and additional response material from our actuarial department. The response material can be referenced on the Supporting Documentation Tab of this filing.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$167M) could result in no increase being approved. There may have been a mismatch in providing the reserve for all policies in the GLTC2 block. Please provide the active life reserve as of the projection date for only those policies that are included in the projection; i.e., issued prior to 10/1/2003. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	2020-11-30 Objection Response Package
Comments:	
Attachment(s):	VA GLTC2 Pre-RS resp to 11-30-20 obj.pdf VA GLTC2 Pre-RS 2020-11-30 Objection Attachments.xlsx

Conclusion:

Sincerely,
Meong Kwak

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/05/2020
Submitted Date	11/05/2020

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. the response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Comments: 1. For all projections requested in the next question, the baseline should comply with the following:

- a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.
- b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.
- c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.
- d. All discounting should be at the average valuation rate.

2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)
- d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception
- e. original assumptions and original premiums from inception

Projections a-e can be separate tabs or combined into separate columns on the same exhibit.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf

Satisfied - Item:	VA GLTC2 Pre RS Projections
Comments:	
Attachment(s):	VA GLTC2 Pre-RS Projections.xlsx

Response 2

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. the response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the active life reserve as of the projection date. Note that since the Company has strengthened reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf

Satisfied - Item:	VA GLTC2 Pre RS Projections
Comments:	
Attachment(s):	VA GLTC2 Pre-RS Projections.xlsx

Response 3

Comments:

Please refer to the letter of response and additional response material from our Actuary, Mr. Arun Paul. the response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the Company's historical experience.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf
Satisfied - Item:	VA GLTC2 Pre RS Projections
Comments:	
Attachment(s):	VA GLTC2 Pre-RS Projections.xlsx

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you! -
Rae

Raenonna L. Prince, CLTC, LTCP
Lead Analyst
The Prudential Insurance Company of America
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E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/18/2020
Submitted Date	06/18/2020

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and additional response material from our actuary Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-18-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response - 6-18-2020.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-18-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response - 6-18-2020.pdf

Satisfied - Item:	2018 GLTC Morbidity & Persistency Assumptions
Comments:	
Attachment(s):	2018 GLTC Morbidity&persistency Assumptions.xlsx

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-18-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response - 6-18-2020.pdf

Satisfied - Item:	2018 GLTC Morbidity & Persistency Assumptions
Comments:	
Attachment(s):	2018 GLTC Morbidity&persistency Assumptions.xlsx

Satisfied - Item:	Model Formulas
Comments:	
Attachment(s):	Model Formulas.pdf

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

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Sincerely,
Raenonna Prince

SERFF Tracking #:	PRUD-131998709	State Tracking #:	PRUD-131998709	Company Tracking #:	IIGHGLTC2RATE-RP-VA PRE RS
State:	Virginia	Filing Company:	The Prudential Insurance Company of America		
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified				
Product Name:	Group Long Term Care Insurance				
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/15/2020
Submitted Date	06/15/2020

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Based on 14VAC5-200-150 B, benefits will be deemed reasonable for pre-stability policies only when the expected loss ratio is the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus 75% applied to any premium rate increase for group policy forms. Please verify that the loss ratio calculations are in compliance with the regulations.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Response 2

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 2

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: In accordance with Virginia Code Section 38.2-1371, all present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, shall use the maximum interest rate for contract reserves. Please verify that all accumulated values were determined in compliance with the Code. If not, make the necessary revisions to assure compliance.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Response 3

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Response 4

Comments:

Please refer to the letter of response and additional response material, VA Pre-RS GLTC2 Projections - with Formulas.xlsx. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a copy of all projections in Excel with working formulas.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Satisfied - Item:	VA Pre-RS GLTC2 Projections - with Formulas
Comments:	
Attachment(s):	VA Pre-RS GLTC2 Projections - with Formulas.xlsx

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response 5

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 5

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Response 6

Comments:

Please refer to the letter of response and additional response material, GLTC2 Rate Increase History." The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise in which states the company has requested rate increases on this block and describe how the rate changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Satisfied - Item:	GLTC2 Rate Increase History
Comments:	
Attachment(s):	GLTC2 Rate Increase History.pdf

Response 7

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the lifetime loss ratio anticipated in the original filing.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf

Conclusion:

SERFF Tracking #:	PRUD-131998709	State Tracking #:	PRUD-131998709	Company Tracking #:	IIGHGLTC2RATE-RP-VA PRE RS
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State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
Lead Analyst
The Prudential Insurance Company of America
2101 Welsh Road, LTC Unit
Dresher, PA 19025
Voice: 215-658-6281| Cell: 215-990-7186
Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/06/2020
Submitted Date	05/06/2020

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum states these policies were issued beginning in 1998. Please state when the last policy forms were issued.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf
Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf
Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf
Satisfied - Item:	GLTC2 Original Act Memo
Comments:	
Attachment(s):	GLTC2 Original Act Memo.pdf

Response 2

Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Given the fact that many of these policies have been in effect for 20 or more years, and with all the publicity in the news about Long Term Care policies, please state why the company waited so long to request a rate increase.

Changed Items:

No Form Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

Satisfied - Item:	GLTC2 Original Act Memo
Comments:	
Attachment(s):	GLTC2 Original Act Memo.pdf

Response 3

Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 3

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Applies To:

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: On pager 5 of the rate pages, please explain the Premium Adjustment Factors related to Marketing Strategy and to Billing/Administrative.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

Satisfied - Item:	GLTC2 Original Act Memo
Comments:	
Attachment(s):	GLTC2 Original Act Memo.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response 4

Comments:

Please refer to the letter of response and additional response material from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 4

Applies To:

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: Please submit a copy of the current rates to Supporting Documentation.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf
Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf
Satisfied - Item:	GLTC2 Original Act Memo
Comments:	
Attachment(s):	GLTC2 Original Act Memo.pdf

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
Lead Analyst
The Prudential Insurance Company of America
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Dresher, PA 19025
Voice: 215-658-6281| Cell: 215-990-7186
Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com
Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/04/2020
Submitted Date	02/04/2020

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Mr. Toone:

As a follow-up to our telephone conversation this afternoon, I have revised the "Certificateholder Advanced Notification Letter Package" section on the Supporting Documentation Tab to reflect that the Department previously reviewed and "filed" the Notification Package.

Additionally, as discussed, the appendices you reference above can be located in the "VA Pre-RS GLTC2 Rate Increase" document attached with Actuarial Memorandum on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: The Actuarial Memorandum refers to several appendices (A, B, C, D, E, and F). The only one found was Appendix C. Please submit the missing appendices.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	VA - Certificateholder Advance Notification Letter
Comments:	These forms were previously reviewed and filed by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969.
Attachment(s):	GRP 115125 - VA Endorsement - 9-2018.pdf GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>VA - Certificateholder Advance Notification Letter</i>
Comments:	<i>These forms were previously reviewed and approved by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969.</i>
Attachment(s):	<i>GRP 115125 - VA Endorsement - 9-2018.pdf GRP 115128 - VA Advanced Notification Letter - 2-2019.pdf GRP 115279 - Frequently Asked Questions - 9-2018.pdf Manual of Variable Language - File Copy - 3-4-2019.pdf</i>

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you! -Rae

Raenonna L. Prince, CLTC, LTCP
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Sincerely,
Raenonna Prince

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/06/2019
Submitted Date	12/06/2019

Dear Bobby Toone,

Introduction:

Thank you for your review of the above referenced filing material.

Response 1

Comments:

Please refer to the letter of response and LTC Rate Summary Narrative from our Actuary, Ms. Ritu Jain. The response material can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 12-6-2019
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 12-6-2019.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 12-6-2019
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 12-6-2019.pdf

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 12-5-2019.pdf

<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf</i>

Response 2

Comments:

Please refer to the letter of response from our Actuary, Ms. Ritu Jain. The letter of response can be referenced on the Supporting Documentation Tab of this filing.

Related Objection 2

Applies To:

- Appendix D - Rate Pages - (VA GLTC-2), [83500 GR 1062] (Rate)

Comments: Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Letter of Response - 12-6-2019
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 12-6-2019.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Conclusion:

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. -
Rae

Raenonna L. Prince, CLTC, LTCP
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E-Mail: Raenonna.prince@prudential.com

Sincerely,
Raenonna Prince

SERFF Tracking #:	PRUD-131998709	State Tracking #:	PRUD-131998709	Company Tracking #:	IIGHGLTC2RATE-RP-VA PRE RS
<hr/>					
State:	Virginia	Filing Company:	The Prudential Insurance Company of America		
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified				
Product Name:	Group Long Term Care Insurance				
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018				

Amendment Letter

Submitted Date: 10/22/2021

Comments:

As a follow up to our meeting with the Department on October 1, 2021, we enclose for your review, the revised Rate Schedule Pages (Appendix A), Actuarial Memorandum and the VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf.

Additionally, the Rate Data information on the Rate Schedule Tab has been updated by means of a Post Submission Update.

We trust this information satisfies the Department's concerns. Should you be in need of any additional information, please do not hesitate to contact me. Thank you. - Rae

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Dresher, PA 19025
Voice: 215-658-6281| Cell: 215-990-7186
Fax: 888-294-6332
E-Mail: Raenonna.prince@prudential.com

Changed Items:

No Form Schedule Items Changed.

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Appendix D - Rate Pages - (VA GLTC-2)	83500 GR 1062	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 73.4	Appendix D - Rate Pages (VA GLTC2 PreRS) 2021-10-21.pdf,	10/22/2021 By:
<i>Previous Version</i>						
1	Appendix D - Rate Pages - (VA GLTC-2)	83500 GR 1062	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 106	Appendix D - Rate Pages (VA GLTC2).pdf,	07/01/2019 By: Raenonna Prince

Supporting Document Schedule Item Changes	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf
<i>Previous Version</i>	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA (Pre RS) - Act Memo - Revised Rates GLTC2 PreRS.pdf VA Pre-RS GLTC2 Rate Increase.pdf

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Reviewer Note

Created By:

Bobby Toone on 04/19/2021 10:39 AM

Last Edited By:

Bobby Toone

Submitted On:

07/13/2021 04:21 PM

Subject:

Actuary Report & Final Opinion

Comments:

Rec'd response - 4/19/2021

Recommends Approval

JOHN T. CONDO, FSA, MAAA, PHD
ROBERT B. CROMPTON, FSA, MAAA
DAVID E. NEVE, FSA, MAAA, CERA
CANDE OLSEN, FSA, MAAA, CLU



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NICOLE L. RUSSO, ASA, MAAA
LORNE W. SCHINBEIN, FSA, MAAA

April 19, 2021

Life and Health Division
Bureau of Insurance
State Corporation Commission
P. O. Box 1157
Richmond, VA 23218

Subject: **SERFF Tracking #PRUD-131998709**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **The Prudential Insurance Company of America** (the “Company”). This is a filing of revised premium rates for a block of group Long Term Care Insurance plans.

Regulatory Recommendation

My review of this filing was performed according to the provisions of 14VAC5-200-153. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated that the full amount of their requested increase is in compliance with 14VAC5-200-153. Considering only the requirements of the applicable regulations, I would recommend the Bureau approve the Company’s request of 106%.

Other Extra-Regulatory Considerations

In addition to the regulatory analysis referenced above, I have reviewed a series of extra-regulatory tests that the Bureau considers for LTC rate filings. The maximum rate increase allowed under each of those tests is shown in the chart below:

Request	106%
Compliant Increase under 14VAC5-200-153	179%
Additional Test	Max Allowed
PV Future Loss	204%
Prospective PV	208%
If-Knew/Makeup	73%
State Equity	40%



Background

The Company submitted a rate increase request of 106% for this block of business. This policy form was issued in Virginia from 1999 through 2012. This filing covers only those policies issued prior to 10/1/2003 and, as of 6/30/2018, there were 178 policyholders in force with \$254k of annualized premium. No previous increases have been approved in Virginia.

Methodology

My approach was to a) review the filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, and d) review the assumptions and projections for reasonableness.

Analysis

Assumptions

The assumptions are consistent with cash flow testing assumptions.

The Company utilized an interest rate of 4.5%, the predominant valuation interest rate during the issue period, for discounting in all projections.

Mortality

The assumption is based on the 2012 IAM Basic Table with selection factors and 20 years of mortality improvement. The A/E is 99% in total.

Voluntary Lapse

The ultimate lapse rate assumption is 0.60% for voluntary and 4.5% for employer-paid. Additionally, a shock lapse of 9.1% is assumed due to the rate increase.

Morbidity

The current morbidity assumption is based on Company experience and judgment in conjunction with the 2104 Milliman LTCGs with no adjustment for adverse selection.

The Actual-to-Expected ratio for claim costs is 100% for these policy forms.

The incidence assumptions are based on 6,230 claims nationwide. Based on the formula recommended by the American Academy of Actuaries (“AAA”) in a Long-term Care Credibility Monograph issued in August 2016 sets 3,246 claims as the standard for full credibility. Therefore, the credibility for the Company experience is 100%.



Loss Ratio Testing

The results below show the results of the loss ratio projections.

Segment	Original LR	No Increase		With Increase		From Inception
		Future*	Lifetime	Future*	Lifetime	
All	85.5%	280%	114%	143%	91%	57%

* after deducting ALR

This pre-stability business is subject to the 85.5/80 Test.

Segment	Test	Required Claims	Projected Claims	PASS/ FAIL	Allowed
All	85.5/80	272.8M	305.3M	PASS	179%

Present Value of Future Loss Test

Segment	Original	Current	Proposed	Allowed
All	-46M	-173M	-107M	204%

Prospective PV (Texas Method)

The allowable increase based on this method is 208%. Details are shown in attachment “NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf” submitted by the Company. I modified the results to substitute 85.5%/80% rather than 58%/85% in the formula.

If-Knew/Makeup Blend (Minnesota Method)

The allowable increase based on this method is 73.4%. Details are shown in “VA GLTC2 Cost Sharing Approach.pdf” submitted by the Company.

State Rate Equity

Segment	VA Curr	VA Prop	NW Curr	NW Prop
All	0%	106%	40%	40%

Reliance and Qualifications

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the



data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.

If you have any questions regarding this filing, please contact me for discussion.

Sincerely,

Shawn D. Parks, FSA, MAAA

State: Virginia **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03G Group Long Term Care/LTC03G.001 Qualified
Product Name: Group Long Term Care Insurance
Project Name/Number: GLTC-2 Re-Rate (Pre RS)/7G-2018

Reviewer Note

Created By:

Bobby Toone on 04/13/2020 03:57 PM

Last Edited By:

Bobby Toone

Submitted On:

03/29/2022 04:18 PM

Subject:

RRS

Comments:

RRS1

RRS2

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number: The Prudential Insurance Company of America - 304-68241

SERFF Tracking Number: PRUD-131998709

Revised Rates

Average Annual Premium Per Member: 106%

Average Requested Percentage Rate Change Per Member: 106%

Range of Requested Rate Changes: 106%

Number of Virginia Policyholders Affected: 178

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
83500 GR 1062	GLTC-2	1998 - 2003	N/A	Future Rate Increases are possible

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of this, we are requesting a total rate increase of 73.4% to be implemented over the course of two years for the series of forms 83500 GR 1062 in the state of Virginia. This same increase is also being requested nationwide on comparable forms. It impacts a broad group of long term care insurance customers and is not based on any individual's personal factors, such as health status or claim history.

Prudential determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage, and prevailing interest rates.

After conducting an extensive review of our actual experience concerning each of these factors, Prudential determined that a premium increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims.

Long Term Care Insurance Rate Request Summary Part 2 –To Be Completed by Bureau of Insurance

Company Name: The Prudential Insurance Co. of America

NAIC Code: 68241

SERFF Tracking Number: PRUD-131998709

Disposition: Approved

Approval Date: 3/29/2022

Revised Rates

Average Annual Premium Per Member: \$2,470

Average Requested Percentage Rate Change Per Member: 73.40%

Minimum Requested Percentage Rate Change Per Member: 73.40%

Maximum Requested Percentage Rate Change Per Member: 73.40%

Number of Policy Holders Affected: 178

Summary of the Bureau of Insurance's review of the rate request:

The Company originally requested a rate increase of 106% for this block of individual long-term care insurance policy forms. However, after discussion with the Bureau, the increase was reduced to 73.4%, to be implemented over 2 years.

The filing was reviewed by the Bureau's consulting actuary and determined to comply with the requirements for a rate increase set forth in 14VAC5-200-150 of the Virginia Administrative Code for policies issued before October 1, 2003. The review indicated that the anticipated loss ratio, reflecting claims payout, will be 96% with the increase, which exceeds the minimum required loss ratio.

The Company has advised that no further rate increases are anticipated, if the requested rate increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:
<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix D - Rate Pages - (VA GLTC-2)	83500 GR 1062	Revised	Previous State Filing Number: N/A Percent Rate Change Request: 73.4	Appendix D - Rate Pages (VA GLTC2 PreRS) 2021-10-21.pdf,

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 1
83500 GR 1062

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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 50% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 8.14	\$ 13.30	\$ 39.85	\$ 57.03
31	8.69	14.13	41.64	59.45
32	9.30	15.01	43.51	61.96
33	9.93	15.96	45.46	64.60
34	10.62	16.96	47.50	67.34
35	11.34	18.03	49.64	70.20
36	12.12	19.15	51.86	73.17
37	12.95	20.36	54.19	76.27
38	13.84	21.63	56.63	79.51
39	14.79	22.98	59.17	82.88
40	15.80	24.43	61.83	86.40
41	16.96	26.10	64.76	90.28
42	18.21	27.91	67.83	94.36
43	19.54	29.83	71.04	98.62
44	20.98	31.88	74.40	103.06
45	22.52	34.07	77.91	107.70
46	24.18	36.42	81.60	112.56
47	25.94	38.93	85.47	117.65
48	27.85	41.60	89.52	122.94
49	29.90	44.46	93.76	128.49
50	32.10	47.53	98.18	134.28
51	34.82	51.23	103.63	141.26
52	37.78	55.22	109.38	148.58
53	40.99	59.52	115.44	156.30
54	44.48	64.15	121.84	164.41
55	48.25	69.16	128.59	172.95
56	52.35	74.53	135.72	181.92
57	56.79	80.34	143.24	191.36
58	61.62	86.59	151.18	201.30
59	66.85	93.34	159.57	211.75
60	72.53	100.61	168.40	222.73
61	78.72	108.24	178.27	234.47
62	85.42	116.45	188.70	246.82
63	92.70	125.29	199.74	259.82
64	100.61	134.79	211.42	273.49
65	109.18	145.01	223.80	287.90
66	118.49	156.02	236.89	303.05
67	128.59	167.85	250.74	319.02
68	139.55	180.59	265.42	335.82
69	151.46	194.30	280.94	353.51
70	164.36	209.03	297.38	372.13
71	182.35	230.22	321.36	400.53
72	202.30	253.56	347.28	431.11
73	224.46	279.26	375.29	464.02
74	249.03	307.56	405.56	499.43
75	276.28	338.73	438.26	537.56
76	307.10	374.34	476.83	582.35
77	341.35	413.71	518.79	630.88
78	379.43	457.22	564.45	683.46
79	421.76	505.31	614.13	740.40
80	468.80	558.43	668.18	802.11
81	505.23	600.31	709.73	849.32
82	544.47	645.34	753.88	899.33
83	586.78	693.73	800.78	952.27
84	632.36	745.76	850.57	1,008.33
85	681.48	801.70	903.48	1,067.69

Virginia Rates
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Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 1
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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 60% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 8.88	\$ 14.51	\$ 42.37	\$ 61.04
31	9.48	15.42	44.26	63.62
32	10.13	16.38	46.24	66.32
33	10.81	17.40	48.29	69.13
34	11.54	18.49	50.45	72.07
35	12.31	19.64	52.71	75.12
36	13.16	20.86	55.05	78.30
37	14.04	22.17	57.51	81.61
38	14.99	23.55	60.07	85.08
39	16.00	25.01	62.76	88.67
40	17.08	26.56	65.55	92.44
41	18.33	28.39	68.64	96.62
42	19.66	30.36	71.87	100.97
43	21.10	32.44	75.25	105.54
44	22.63	34.68	78.81	110.31
45	24.27	37.06	82.52	115.29
46	26.05	39.62	86.41	120.51
47	27.95	42.34	90.48	125.94
48	29.97	45.25	94.74	131.65
49	32.16	48.36	99.21	137.59
50	34.51	51.69	103.88	143.80
51	37.40	55.68	109.60	151.28
52	40.55	59.99	115.65	159.15
53	43.96	64.61	122.01	167.42
54	47.65	69.60	128.74	176.12
55	51.65	74.98	135.82	185.28
56	56.00	80.76	143.30	194.90
57	60.70	87.00	151.19	205.04
58	65.81	93.72	159.53	215.70
59	71.34	100.95	168.31	226.91
60	77.33	108.74	177.58	238.71
61	83.81	116.92	187.83	251.14
62	90.83	125.72	198.66	264.20
63	98.45	135.18	210.11	277.97
64	106.70	145.34	222.23	292.44
65	115.63	156.28	235.04	307.66
66	125.33	168.04	248.60	323.68
67	135.82	180.68	262.94	340.54
68	147.20	194.27	278.10	358.26
69	159.53	208.89	294.14	376.93
70	172.90	224.60	311.10	396.55
71	191.66	247.17	336.06	426.71
72	212.48	272.03	363.02	459.16
73	235.56	299.38	392.15	494.09
74	261.13	329.49	423.61	531.66
75	289.49	362.61	457.59	572.10
76	321.70	400.58	497.85	619.73
77	357.49	442.51	541.66	671.33
78	397.26	488.86	589.30	727.21
79	441.46	540.04	641.16	787.75
80	490.57	596.57	697.56	853.34
81	528.62	641.06	740.98	903.40
82	569.62	688.86	787.11	956.38
83	613.80	740.22	836.10	1,012.47
84	661.41	795.42	888.13	1,071.84
85	712.71	854.72	943.41	1,134.70

Virginia Rates
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The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 1
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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 100% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 10.96	\$ 18.08	\$ 49.24	\$ 73.28
31	11.67	19.20	51.39	76.39
32	12.45	20.39	53.63	79.64
33	13.26	21.65	55.97	83.02
34	14.13	22.99	58.42	86.55
35	15.05	24.42	60.98	90.24
36	16.04	25.93	63.64	94.07
37	17.09	27.55	66.42	98.08
38	18.21	29.25	69.31	102.25
39	19.41	31.07	72.33	106.60
40	20.69	32.99	75.49	111.13
41	22.19	35.28	78.99	116.21
42	23.80	37.75	82.65	121.52
43	25.52	40.37	86.49	127.08
44	27.37	43.17	90.50	132.89
45	29.34	46.17	94.69	138.97
46	31.48	49.37	99.09	145.32
47	33.75	52.81	103.69	151.97
48	36.19	56.49	108.49	158.91
49	38.81	60.41	113.53	166.18
50	41.62	64.61	118.79	173.78
51	45.07	69.64	125.19	182.94
52	48.81	75.08	131.95	192.58
53	52.85	80.93	139.06	202.75
54	57.24	87.24	146.57	213.43
55	61.98	94.05	154.47	224.69
56	67.13	101.38	162.81	236.55
57	72.69	109.28	171.58	249.02
58	78.72	117.81	180.84	262.16
59	85.24	127.00	190.60	275.98
60	92.31	136.89	200.87	290.54
61	99.72	146.94	211.89	305.44
62	107.73	157.72	223.51	321.11
63	116.37	169.31	235.76	337.57
64	125.71	181.73	248.68	354.88
65	135.81	195.07	262.32	373.08
66	146.70	209.39	276.69	392.22
67	158.49	224.76	291.86	412.34
68	171.21	241.26	307.86	433.48
69	184.95	258.97	324.75	455.71
70	199.80	277.98	342.55	479.09
71	220.83	305.57	369.16	515.47
72	244.08	335.90	397.84	554.63
73	269.77	369.25	428.75	596.76
74	298.17	405.90	462.07	642.08
75	329.57	446.19	497.97	690.86
76	365.48	493.11	541.14	749.28
77	405.31	544.96	588.07	812.65
78	449.48	602.28	639.05	881.38
79	498.46	665.61	694.45	955.92
80	552.78	735.61	754.67	1,036.77
81	594.10	790.71	800.84	1,098.58
82	638.51	849.94	849.85	1,164.07
83	686.24	913.60	901.86	1,233.46
84	737.52	982.05	957.05	1,306.99
85	792.65	1,055.62	1,015.62	1,384.92

Virginia Rates
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Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 1
83500 GR 1062

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Adjustment Factors - Benefit Period		
Benefit Period (Years)	Home Health Equal to 50% or 60% of Maximum Daily Benefit	Home Health Equal to 100% of Maximum Daily Benefit
3	0.840	0.810
4	0.940	0.920
5	1.000	1.000
10	1.250	1.290

Adjustment Factors - Benefit waiting/elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
0	1.210
30	1.135
60	1.065
90	1.000

Adjustment Factors - Spouse Discounts		
Marital Status	Premium Adjustment if Discount Applied to:	
	Both Spouses	Younger Spouse Only
Single	1.11	1.05
Married	0.94	0.89

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.22
Semi-Annual	5.73
Quarterly	2.93
Monthly	1.00

*If an entire group uses the annual premium payment mode, premiums will be reduced by 1%

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Full Medical Underwriting for all	0.990
Medical Underwriting for Non-Actively-at-Work	1.000

* Adjustment factors only apply to issue ages less than 66

Adjustment Factors - Employer Size	
Number of Eligible Employees	Premium Adjustment Factor
< 2,500	1.030
2,500 - 9,999	1.000
10,000 +	0.985

Virginia Rates
October 1, 2019

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The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 1
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Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	0.935
1%	0.950
2%	0.960
3%	0.970
4%	0.985
5%	1.000
6%	1.015
7%	1.030
8%	1.045
9%	1.060
10%	1.075
11%	1.090
12%	1.105

*Or actuarially equivalent non-level commission schedules

Adjustment Factors - Additional Rider	
Return of Premium	1.31
Shortened Benefit Period	1.10

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor*
None	0.97
Standard	1.00

* Adjustment factors only apply to issue ages less than 75

Adjustment Factors - Marketing Strategy	
Marketing Strategy	Premium Adjustment Factor
Minimal	0.97
Standard	1.00
Enhanced	1.03

Adjustment Factors - Percentage Issued to Females	
% Issued to Females	Premium Adjustment
0%	0.71
25%	0.86
50%	1.00
75%	1.13
100%	1.26

Adjustment Factors - Billing/Administrative	
Administration	Premium Adjustment Factor
Direct Bill	1.03
Complex	1.015
Standard	1.00
Automated	0.985

Adjustment Factors - ADL Trigger	
ADL Benefit Trigger	Premium Adjustment Factor
2 of 5*	0.98
2 of 6	1.00

* Continence is excluded

Virginia Rates
October 1, 2019

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 2
83500 GR 1062

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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 50% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 10.71	\$ 17.51	\$ 52.45	\$ 75.05
31	11.44	18.60	54.80	78.24
32	12.24	19.76	57.26	81.55
33	13.07	21.01	59.83	85.01
34	13.97	22.32	62.52	88.62
35	14.92	23.73	65.32	92.38
36	15.95	25.20	68.25	96.30
37	17.04	26.79	71.32	100.37
38	18.22	28.46	74.53	104.63
39	19.46	30.24	77.87	109.07
40	20.80	32.15	81.37	113.70
41	22.32	34.35	85.22	118.81
42	23.97	36.73	89.26	124.18
43	25.72	39.26	93.49	129.78
44	27.61	41.96	97.91	135.62
45	29.64	44.84	102.53	141.74
46	31.82	47.92	107.39	148.13
47	34.14	51.23	112.48	154.82
48	36.66	54.75	117.80	161.79
49	39.34	58.51	123.38	169.09
50	42.24	62.55	129.21	176.71
51	45.83	67.42	136.38	185.90
52	49.72	72.67	143.94	195.54
53	53.94	78.32	151.91	205.69
54	58.53	84.42	160.34	216.37
55	63.50	91.01	169.23	227.60
56	68.89	98.08	178.60	239.40
57	74.73	105.72	188.50	251.83
58	81.10	113.96	198.95	264.92
59	87.98	122.83	209.99	278.66
60	95.45	132.40	221.62	293.11
61	103.59	142.45	234.60	308.56
62	112.41	153.25	248.33	324.81
63	122.00	164.88	262.85	341.92
64	132.40	177.39	278.23	359.91
65	143.68	190.84	294.52	378.87
66	155.93	205.33	311.75	398.82
67	169.23	220.89	329.98	419.83
68	183.65	237.65	349.29	441.94
69	199.31	255.69	369.72	465.22
70	216.30	275.09	391.35	489.73
71	239.97	302.98	422.91	527.09
72	266.23	333.69	457.02	567.34
73	295.38	367.50	493.88	610.65
74	327.73	404.75	533.71	657.25
75	363.58	445.77	576.75	707.43
76	404.14	492.64	627.51	766.37
77	449.22	544.44	682.73	830.24
78	499.33	601.71	742.82	899.43
79	555.03	664.98	808.20	974.37
80	616.94	734.90	879.32	1,055.57
81	664.88	790.01	934.01	1,117.71
82	716.53	849.27	992.10	1,183.51
83	772.20	912.95	1,053.82	1,253.19
84	832.18	981.43	1,119.35	1,326.97
85	896.83	1,055.03	1,188.97	1,405.08

Virginia Rates
October 1, 2020

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 2
83500 GR 1062

Page 2 of 5

Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 60% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 11.68	\$ 19.10	\$ 55.76	\$ 80.33
31	12.48	20.30	58.25	83.73
32	13.33	21.56	60.85	87.28
33	14.23	22.90	63.56	90.97
34	15.18	24.33	66.40	94.84
35	16.21	25.84	69.36	98.86
36	17.31	27.45	72.45	103.04
37	18.48	29.17	75.69	107.40
38	19.72	30.99	79.05	111.96
39	21.06	32.91	82.59	116.69
40	22.48	34.96	86.26	121.65
41	24.13	37.37	90.33	127.15
42	25.88	39.95	94.58	132.88
43	27.77	42.69	99.03	138.90
44	29.78	45.63	103.71	145.17
45	31.94	48.77	108.60	151.72
46	34.28	52.13	113.71	158.59
47	36.78	55.72	119.07	165.74
48	39.45	59.55	124.68	173.25
49	42.32	63.64	130.56	181.06
50	45.41	68.03	136.71	189.25
51	49.22	73.28	144.23	199.09
52	53.36	78.95	152.19	209.44
53	57.85	85.03	160.56	220.32
54	62.71	91.60	169.42	231.78
55	67.98	98.67	178.74	243.82
56	73.69	106.28	188.59	256.49
57	79.88	114.49	198.97	269.84
58	86.61	123.33	209.94	283.86
59	93.89	132.85	221.50	298.61
60	101.77	143.11	233.70	314.14
61	110.30	153.87	247.18	330.50
62	119.54	165.45	261.43	347.69
63	129.55	177.89	276.51	365.80
64	140.42	191.27	292.46	384.85
65	152.17	205.66	309.32	404.89
66	164.93	221.14	327.15	425.96
67	178.74	237.77	346.03	448.15
68	193.72	255.66	365.98	471.47
69	209.94	274.90	387.09	496.03
70	227.53	295.58	409.41	521.86
71	252.23	325.28	442.25	561.55
72	279.63	357.99	477.73	604.25
73	310.00	393.98	516.07	650.22
74	343.65	433.60	557.47	699.66
75	380.97	477.19	602.19	752.89
76	423.36	527.16	655.17	815.56
77	470.45	582.35	712.82	883.47
78	522.79	643.34	775.53	957.01
79	580.96	710.69	843.76	1,036.68
80	645.59	785.09	917.99	1,122.99
81	695.66	843.64	975.13	1,188.87
82	749.61	906.54	1,035.83	1,258.59
83	807.76	974.13	1,100.30	1,332.41
84	870.42	1,046.77	1,168.78	1,410.54
85	937.92	1,124.81	1,241.52	1,493.27

Virginia Rates
October 1, 2020

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 2
83500 GR 1062

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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 100% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 14.42	\$ 23.80	\$ 64.80	\$ 96.43
31	15.36	25.27	67.63	100.52
32	16.38	26.83	70.57	104.80
33	17.45	28.49	73.66	109.26
34	18.60	30.26	76.88	113.90
35	19.81	32.13	80.25	118.76
36	21.11	34.13	83.75	123.80
37	22.50	36.26	87.40	129.07
38	23.97	38.49	91.22	134.56
39	25.55	40.89	95.19	140.28
40	27.23	43.42	99.35	146.25
41	29.20	46.43	103.96	152.94
42	31.32	49.67	108.77	159.92
43	33.59	53.12	113.82	167.23
44	36.02	56.81	119.10	174.88
45	38.62	60.77	124.62	182.88
46	41.42	64.98	130.40	191.24
47	44.42	69.50	136.45	199.99
48	47.63	74.34	142.78	209.12
49	51.08	79.50	149.40	218.69
50	54.77	85.03	156.33	228.69
51	59.31	91.65	164.76	240.75
52	64.23	98.81	173.65	253.44
53	69.55	106.50	183.01	266.82
54	75.32	114.81	192.88	280.88
55	81.56	123.77	203.28	295.70
56	88.34	133.42	214.25	311.30
57	95.65	143.82	225.80	327.71
58	103.59	155.03	237.98	345.01
59	112.17	167.13	250.82	363.19
60	121.48	180.15	264.34	382.36
61	131.24	193.37	278.85	401.96
62	141.77	207.56	294.14	422.58
63	153.14	222.82	310.26	444.25
64	165.43	239.16	327.26	467.02
65	178.72	256.72	345.21	490.97
66	193.06	275.56	364.12	516.16
67	208.57	295.78	384.09	542.64
68	225.31	317.50	405.15	570.46
69	243.39	340.81	427.37	599.71
70	262.94	365.82	450.80	630.48
71	290.62	402.13	485.81	678.36
72	321.21	442.05	523.56	729.89
73	355.02	485.93	564.23	785.33
74	392.39	534.16	608.08	844.97
75	433.71	587.18	655.33	909.17
76	480.97	648.93	712.14	986.05
77	533.38	717.17	773.90	1,069.45
78	591.51	792.60	840.99	1,159.89
79	655.97	875.95	913.90	1,257.99
80	727.46	968.06	993.14	1,364.39
81	781.83	1,040.58	1,053.91	1,445.73
82	840.28	1,118.52	1,118.40	1,531.92
83	903.09	1,202.30	1,186.84	1,623.24
84	970.58	1,292.37	1,259.48	1,720.00
85	1,043.13	1,389.19	1,336.55	1,822.55

Virginia Rates
October 1, 2020

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 2
83500 GR 1062

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Adjustment Factors - Benefit Period		
Benefit Period (Years)	Home Health Equal to 50% or 60% of Maximum Daily Benefit	Home Health Equal to 100% of Maximum Daily Benefit
3	0.840	0.810
4	0.940	0.920
5	1.000	1.000
10	1.250	1.290

Adjustment Factors - Benefit waiting/Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
0	1.210
30	1.135
60	1.065
90	1.000

Adjustment Factors - Spouse Discounts		
Marital Status	Premium Adjustment if Discount Applied to:	
	Both Spouses	Younger Spouse Only
Single	1.11	1.05
Married	0.94	0.89

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	Adjustment Factor
Annual	11.22
Semi-Annual	5.73
Quarterly	2.93
Monthly	1.00

*If an entire group uses the annual premium payment mode, premiums will be reduced by 1%

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Full Medical Underwriting for all	0.990
Medical Underwriting for Non-Actively-at-Work	1.000

* Adjustment factors only apply to issue ages less than 66

Adjustment Factors - Employer Size	
Number of Eligible Employees	Premium Adjustment Factor
< 2,500	1.030
2,500 - 9,999	1.000
10,000 +	0.985

Virginia Rates
October 1, 2020

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors Year 2
83500 GR 1062

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Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	0.935
1%	0.950
2%	0.960
3%	0.970
4%	0.985
5%	1.000
6%	1.015
7%	1.030
8%	1.045
9%	1.060
10%	1.075
11%	1.090
12%	1.105

*Or actuarially equivalent non-level commission schedules

Adjustment Factors - Additional Rider	
Return of Premium	1.31
Shortened Benefit Period	1.10

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor*
None	0.97
Standard	1.00

* Adjustment factors only apply to issue ages less than 75

Adjustment Factors - Marketing Strategy	
Marketing Strategy	Premium Adjustment Factor
Minimal	0.97
Standard	1.00
Enhanced	1.03

Adjustment Factors - Percentage Issued to Females	
% Issued to Females	Premium Adjustment
0%	0.71
25%	0.86
50%	1.00
75%	1.13
100%	1.26

Adjustment Factors - Billing/Administrative	
Administration	Premium Adjustment Factor
Direct Bill	1.03
Complex	1.015
Standard	1.00
Automated	0.985

Adjustment Factors - ADL Trigger	
ADL Benefit Trigger	Premium Adjustment Factor
2 of 5*	0.98
2 of 6	1.00

* Continence is excluded

Virginia Rates
October 1, 2020

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Supporting Document Schedules

Satisfied - Item:	Certification of Compliance
Comments:	
Attachment(s):	VA - Certification of Compliance - 7-1-2019.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Product Checklist
Comments:	
Attachment(s):	VA - Checklist - 7-1-2019.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA Pre-RS GLTC2 Rate Increase 2021-10-21.pdf VA Act Memo - Revised Rates GLTC2 PreRS.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA (Pre RS) LTC Rate Summary - 7-1-2019.pdf VA - LTC Rate Summary Narrative (GLTC2 Pre-RS) - 11-11-2021.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Filing Cover Letter
Comments:	
Attachment(s):	VA (Pre RS) - Filing Cover Letter - 7-1-2019.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Appendix C - Description of Experience Analysis and Assumption Setting
Comments:	
Attachment(s):	Appendix C - Description of Experience Analysis and Assumption Setting.pdf

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Appendix C - Exhibit 1 - Mortality Details - GLTC
Comments:	
Attachment(s):	Appendix C - Exhibit 1 - Mortality Details - GLTC.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Appendix C - Exhibit 2 - Lapse Details
Comments:	
Attachment(s):	Appendix C - Exhibit 2 - Lapse Details - GLTC.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Appendix C - Exhibit 3 - Morbidity Details - GLTC
Comments:	
Attachment(s):	Appendix C - Exhibit 3 - Morbidity Details - GLTC.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	VA - Certificateholder Advance Notification Letter - John Doe Versions
Comments:	These forms were previously reviewed and filed by the Department on June 5, 2019, under SERFF Filing number PRUD-129708969. At the Department's request, the original approved documents have been removed and replaced with the John Doe versions.
Attachment(s):	GRP 115128 - VA Advanced Notification Letter - 2-2019 (John Doe version GLTC2).pdf VA - Change Request Form - 9-2018 (John Doe version GLTC2).pdf GRP 115279 - Frequently Asked Questions - 9-2018 (John Doe version GLTC2).pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Letter of Response - 12-6-2019
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 12-6-2019.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Satisfied - Item:	Letter of Response - 5-6-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 5-6-2020.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	VA GLTC2 Current Rates 2020-05-04
Comments:	
Attachment(s):	VA GLTC2 Current Rates 2020-05-04.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	GLTC2 Original Act Memo
Comments:	
Attachment(s):	GLTC2 Original Act Memo.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Letter of Response - 6-15-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 6-15-2020.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	GLTC2 Rate Increase History
Comments:	
Attachment(s):	GLTC2 Rate Increase History.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	VA Pre-RS GLTC2 Projections - with Formulas
Comments:	
Attachment(s):	VA Pre-RS GLTC2 Projections - with Formulas.xlsx
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Letter of Response - 6-18-2020
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State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response - 6-18-2020.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	2018 GLTC Morbidity & Persistency Assumptions
Comments:	
Attachment(s):	2018 GLTC Morbidity&persistency Assumptions.xlsx
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Model Formulas
Comments:	
Attachment(s):	Model Formulas.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	Letter of Response - 11-5-2020
Comments:	
Attachment(s):	VA (Pre RS) - Letter of Response (GLTC2) - 11-5-2020.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	VA GLTC2 Pre RS Projections
Comments:	
Attachment(s):	VA GLTC2 Pre-RS Projections.xlsx
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	2020-11-30 Objection Response Package
Comments:	
Attachment(s):	VA GLTC2 Pre-RS resp to 11-30-20 obj.pdf VA GLTC2 Pre-RS 2020-11-30 Objection Attachments.xlsx
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

Satisfied - Item:	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc
--------------------------	-----------------------------------------------------------

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Comments:	
Attachment(s):	NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc
Comments:	
Attachment(s):	VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	VA GLTC2 Cost Sharing Approach
Comments:	
Attachment(s):	VA GLTC2 Cost Sharing Approach.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Letter of Response - 4-2-2021
Comments:	
Attachment(s):	VA GLTC2 Pre-RS resp to 2021-02-17 obj.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Letter of Response - 3-30-2021
Comments:	
Attachment(s):	VA GLTC2PreRS resp to 2021-03-30 Objection.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021
Satisfied - Item:	Letter of Response - 11-11-2021
Comments:	
Attachment(s):	VA GLTC2PreRS resp to 2021-11-03 Objection.pdf
Item Status:	Received & Acknowledged
Status Date:	12/21/2021

State:	Virginia	Filing Company:	The Prudential Insurance Company of America
TOI/Sub-TOI:	LTC03G Group Long Term Care/LTC03G.001 Qualified		
Product Name:	Group Long Term Care Insurance		
Project Name/Number:	GLTC-2 Re-Rate (Pre RS)/7G-2018		

Attachment VA Pre-RS GLTC2 Projections - with Formulas.xlsx is not a PDF document and cannot be reproduced here.

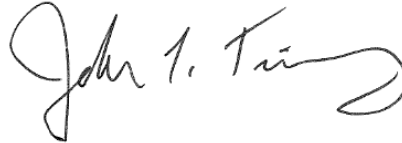
Attachment 2018 GLTC Morbidity&persistency Assumptions.xlsx is not a PDF document and cannot be reproduced here.

Attachment VA GLTC2 Pre-RS Projections.xlsx is not a PDF document and cannot be reproduced here.

Attachment VA GLTC2 Pre-RS 2020-11-30 Objection Attachments.xlsx is not a PDF document and cannot be reproduced here.

Virginia Certification of Compliance

The company has reviewed the enclosed policy form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.



Signature

John L. Timmerberg

Print Name

July 1, 2019

Date

Vice President and Actuary

Title

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
General Filing Requirements		
Transmittal Letter	14VAC5-100-40	For Paper Filings: Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14VAC5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters or a combination of both.
	14VAC5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14VAC5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14VAC5-100-40 5	Description of market for which form is intended.
	14VAC5-100-40 6	For Paper Filings: At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and individual NAIC number of the company for which the filing is made.
Variable Language		All variable information must be bracketed and explained in detail. A Statement of Variability (SOV) should be provided in all cases where variable information is presented. The SOV should be detailed and specific. It should identify each variable field appearing in the forms and describe specifically how that field will vary from the text as presented. For any variable numerical information, please express the minimum and maximum values. Any variable language must be defined sufficiently so that compliance with statutory or regulatory requirements can be determined. The SOV should be provided under Supporting Documentation.
Additional SERFF Filing Requirements	Administrative Letter 2012-03	Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings.
General Information – Filing Description		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
HELP TIP:		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the state tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.
Rate Changes		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
Forms		
Form Number	14VAC5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14VAC5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final Form	14VAC5-100-50 3	Form must be submitted in the form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14VAC5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If an application was previously approved, advise date of approval).
Type Size	14VAC5-100-50 5	Forms must be printed with type size of at least 8-point type.
LTC Caution Notice	14VAC5-200-80 C 2	Required language in bold print .
Notice to Buyer	14VAC5-200-170 A 3	Required language.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Code of Virginia does not define "Insurance Fraud". Any fraud notice that includes the term "insurance fraud" is not in compliance with this section of the Code. In Virginia, a fraud notice relating to life insurance, annuities, accident and sickness, health maintenance organizations, health services plans, credit accident and sickness and credit life insurance should not include references to imprisonment or fines. Variations in a notice warning of consequences of making fraudulent statements will be considered.
30-Day Free Look	§ 38.2-5208	

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
General Policy Provisions		
Contents of Policies	§ 38.2-305 A	Each policy/contract shall specify the: (1) The names of the parties to the contract, (2) The subject of the insurance, (3) The risk insured against, (4) The time the insurance takes effect, and the period during which the insurance is to continue, (5) The conditions pertaining to insurance.
Important Notice	§ 38.2-305 B	Each new or renewal policy/contract/certificate/evidence of coverage shall be accompanied by an important notice as stated in the statute.
Grace Period	§ 38.2-3527	Each policy shall contain a provision that the policyholder is entitled to a grace period of not less than 31 days for the payment of any premium due, except for the first premium.
Entire Contract	§ 38.2-3529	Each policy shall contain a provision that the policy, any application of the policyowner, and any individual applications of the persons insured shall constitute the entire contract between the parties. It shall state that a copy of the application of the policyowner shall be attached to policy when issued, that all statements made by the policyowner and insured shall be deemed representations and not warranties and that no written statement made by any person insured shall be used in any contest unless a copy of the statement is furnished to the person, his beneficiary or personal representative.
Misstatement of Age	§ 38.2-3532	Each policy shall contain a provision that an equitable adjustment of premiums, benefits, or both, shall be made if the age of a person insured has been misstated.
Individual Certificates	§ 38.2-3533	Each policy shall contain a provision that the insurer will issue to the policyholder for delivery to each person insured a certificate of insurance.
Notice of Claim	§ 38.2-3534	Each policy shall contain a provision that written notice of claim shall be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy.
Claim Forms	§ 38.2-3535	Each policy shall contain a provision that the insurer shall furnish forms for filing proof of loss within 15 days after the insurer has received notice of any claim.
Proof of Loss	§ 38.2-3536	Each policy shall contain a provision that written proof of loss shall be furnished to the insurer within 90 days after the date of loss.
Time Payment of Claims	§ 38.2-3537	Each policy shall contain a provision that all benefits payable under the policy other than benefits for a loss of time shall be payable within 60 days after receipt of proof of loss.
Payment of Claims	§ 38.2-3538	Each policy shall contain a provision that benefits for loss of life of the person insured shall be payable to the beneficiary designated by the person insured. If policy contains family status conditions, beneficiary may be the family member specified by the policy.

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Physical Examinations and Autopsy	§ 38.2-3539	Each policy shall contain a provision that the insurer shall have the right to examine the policy for whom a claim is made, when and as often as it may reasonably require during the pendency of a claim or make an autopsy where it is not prohibited by law.
Legal Actions	§ 38.2-3540	Each policy shall contain a provision that no action at law or in equity shall be brought to recover on a policy within 60 days after proof of loss has been filed in accordance with policy requirements and that no such action shall be brought after the expiration of 3 years from the time that proof of loss was required to be filed.
Claims Experience (Applies to employer groups only)	§ 38.2-3540.1	Each policy shall contain a provision that a complete record of the policyholders' claim experience shall be provided, upon request. This record shall be made available not less than 30 days prior to the date upon which premiums or contractual terms of policy may be amended.
Termination Notice	§ 38.2-3542	Written notice of termination must be provided to certain employers prior to termination of coverage.
Incontestability	§ 38.2-5209	The provision contains specific incontestability language for long-term care insurance.
Continuation or Conversion	14VAC5-200-60 D	Mandatory except for reasons stated.
Discontinuance and Replacement	14VAC5-200-60 E	Coverage and premium requirements under the replacement policy.
Unintentional Lapse	14VAC5-200-65 A 3	The policy must specify an additional 30 days for an unintentional lapse of coverage.
Reinstatement	14VAC5-200-65 B	Reinstatement in the event of lapse if due to cognitive impairment or had a loss of functional capacity.
<i>Prohibited Provisions</i>		
Subrogation	§ 38.2-3405 A	No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person.
Liability Insurance	§ 38.2-3405 B	Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract.
Workers' Compensation	§ 38.2-3405 D	The statute discusses exceptions to exclusions due to benefits payable under workers' compensation.
	§ 38.2-5203	Specified provisions prohibited.
	§ 38.2-5205 A	Prior institutionalization may not be a requirement to receive benefits.
Minimum Standards for Home Health Care	14VAC5-200-90	The minimum standards include prohibited exclusions and restrictions regarding home health care benefits.
	14VAC5-200-190	Preexisting conditions and waiting periods may not be used in replacement policies.
<i>LTC Policy Requirements</i>		
Rates	§ 38.2-316	Rates must be filed.
Duration of Benefits	§ 38.2-5200	Coverage must be provided for a minimum of 12 months.

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Policy Definitions	§ 38.2-5200 14VAC5-200-50	Certain terms defined.
Preexisting Conditions	§ 38.2-5204 14VAC5-200-70 D	Defines look-back period and limitation period for preexisting conditions. If policy includes limitations due to a preexisting condition, such limitations must be included and labeled as "Preexisting Condition Limitations".
Limitations or Conditions on Eligibility for Benefits	§ 38.2-5205 B 14VAC5-200-187	Permissible benefit triggers and requirements.
Nonforfeiture Benefit Requirement	§ 38.2-5210 14VAC5-200-185 B	Offer made to the policyholder. Refer to the regulation for specifics.
Readability Certification	14VAC5-110-60	Readability certification is required if policy issued to a group with fewer than 10 members.
	14VAC5-130-60 A and 14VAC5-130-60 B	The regulation specifies rate filing and actuarial memorandum requirements.
Definitions	14VAC5-200-40	
Limitations and Exclusions	14VAC5-200-60 B	
Extension of Benefits	14VAC5-200-60 C	
UCR	14VAC5-200-70 C	The term must be defined if benefits are based on usual, reasonable and customary charges.
Required to Offer Inflation Protection	14VAC5-200-100 A	
Policy Issued Out-of-State Covering Residents of VA	14VAC5-200-155	Must submit proof that the group policy or certificate has been approved by a state having statutory or regulatory long-term insurance requirements similar to those in VA.
LTC Personal Worksheet	14VAC5-200-175 C 2	Must be in no less than 12-point type and include the information and in the form as shown in Form B.
Right to Reduce Coverage and Lower Premiums	14VAC5-200-183	The policy shall include a provision that allows the certificateholder to reduce coverage and lower the premium.
Contingent Benefit Upon Lapse	14VAC5-200-185 C	If the offer of the nonforfeiture benefit is declined, the contingent benefit upon lapse shall be provided.
Disclosures		
	§ 38.2-5207 1; 14VAC5-200-200	The statute requires that an outline of coverage be provided to the insured. The statute also specifies the information that should be included in the outline.
	§ 38.2-5207 2 c	Statement that group master policy should be consulted to determine governing contractual provisions.
	§ 38.2-5207 4 14VAC5-200-70 H	Prominent disclosure identifying a certificate is a qualified long-term care insurance policy/certificate or a federally tax-qualified long-term care insurance contract.
Policies that include issue ages of 65 or higher	14VAC5-170-150 E 1	Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate.

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
Applies to policies where premiums can be revised	14VAC5-200-70 A 2	The policy shall include a clear and prominent statement in bold type and all capital letters that the premium rates may be increased.
	14VAC5-200-70 I	A non-tax-qualified plan must disclose that the policy is not intended to be a qualified long-term care insurance contract.
	14VAC5-200-75 D	Any reference to a premium increase shall disclose that notice of premium increase shall be at least 75 days prior to implementation of premium rate schedule.
Rates	§ 38.2-316	
		Complete one of the following checklists as indicated:
		FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES
		FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:
<http://www.scc.virginia.gov/boi/laws.aspx>

The Forms and Rates Section of the Life and Health Division reviews group long-term care insurance (GLTCI) (FORMS). Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

Review Requirements Checklist
GROUP LONG-TERM CARE INSURANCE (GLTCI) (FORMS)

I hereby certify that I have reviewed the attached group long-term care insurance (GLTCI) (FORMS) filing and determined that it is in compliance with the group long-term care insurance (GLTCI) (FORMS) checklist.

Signed: _____

Name (please print): John L. Timmerberg, ASA, MAAA

Company Name: The Prudential Insurance Company of America

Date: July 1, 2019 Phone No: (973-802-6596) FAX No: () 973-802-5533

E-Mail Address: john.timmerberg@prudential.com

Appendix A
The Prudential Insurance Company of America
GLTC2 - Policies Issued Prior to 10/1/2003

Virginia

Requested Rate Increase

<u>Benefit Type</u>	<u>Requested Amount</u>
All	73.4%

8. Average Annual Premium

<u>Rate Basis</u>	<u>Virginia</u>	<u>Nationwide</u>
Without Increase	\$1,425	\$1,431
With Increase	\$2,470	\$2,481

13. Satisfaction of Loss Ratio Requirements

Loss Ratio Requirement:

1) Projected Lifetime Loss Ratio with Rate Increase	96%
2) Minimum Required Loss Ratio	60%
Is 1 greater than 2?	Yes

16. Lifetime Loss Ratio

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	114%	96%

17. History of Rate Adjustments

No prior rate increases

18. Number of Policyholders and Annualized Premium as of June 30, 2018

<u>Policy type</u>	<u>Policies Inforce</u>		<u>Premium Inforce</u>	
	<u>Virginia</u>	<u>Nationwide</u>	<u>Virginia</u>	<u>Nationwide</u>
All	178	4,018	\$253,564	\$5,749,037

22. Projected Loss Ratio

Projected target lifetime loss ratio with rate increase	96%
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Appendix B
The Prudential Insurance Company of America
Historical and Projected Experience
Nationwide Experience - Policies Issued Prior to 10/1/2003
Virginia Premium Rate Basis
GLTC2

Historical

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1998	4,601	0	4,601	5,266	0	5,266	114%
1999	133,856	0	133,856	120,082	0	120,082	90%
2000	4,380,084	0	4,380,084	1,610,640	0	1,610,640	37%
2001	7,458,172	0	7,458,172	2,059,647	269,081	2,328,728	31%
2002	10,532,727	0	10,532,727	1,982,078	0	1,982,078	19%
2003	11,318,680	0	11,318,680	1,685,089	0	1,685,089	15%
2004	8,678,867	0	8,678,867	2,033,308	132,658	2,165,966	25%
2005	8,413,046	0	8,413,046	1,892,432	73,334	1,965,766	23%
2006	8,182,554	0	8,182,554	1,457,767	63,912	1,521,679	19%
2007	7,361,766	0	7,361,766	2,083,766	34,236	2,118,002	29%
2008	5,615,591	0	5,615,591	1,055,755	0	1,055,755	19%
2009	5,371,464	0	5,371,464	911,053	0	911,053	17%
2010	5,307,963	0	5,307,963	2,003,978	390,510	2,394,488	45%
2011	5,317,265	0	5,317,265	1,573,365	75,053	1,648,418	31%
2012	5,373,994	0	5,373,994	1,842,340	742,589	2,584,929	48%
2013	5,430,652	0	5,430,652	2,414,712	883,631	3,298,343	61%
2014	5,539,788	0	5,539,788	2,115,452	897,489	3,012,942	54%
2015	5,725,900	0	5,725,900	2,833,726	2,392,941	5,226,668	91%
2016	5,744,994	0	5,744,994	1,098,368	1,634,802	2,733,170	48%
2017	5,952,804	0	5,952,804	726,415	3,158,918	3,885,333	65%
2018*	2,949,709	0	2,949,709	85,680	1,921,409	2,007,089	68%

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,886,104	2,400,811	83%
2019	5,666,961	5,196,538	92%
2020	5,521,938	5,715,029	103%
2021	5,371,427	6,227,759	116%
2022	5,215,686	6,775,983	130%
2023	5,055,029	7,441,695	147%
2024	4,889,914	8,188,988	167%
2025	4,720,804	9,009,114	191%
2026	4,547,779	9,892,497	218%
2027	4,369,060	10,832,168	248%
2028	4,183,129	11,808,237	282%
2029	3,989,753	12,806,890	321%
2030	3,789,530	13,821,347	365%
2031	3,583,707	14,808,632	413%
2032	3,375,377	15,747,953	467%
2033	3,167,274	16,620,382	525%
2034	2,960,681	17,431,657	589%
2035	2,756,567	18,168,989	659%
2036	2,556,229	18,767,582	734%
2037	2,360,443	19,221,178	814%
2038	2,169,827	19,534,307	900%
2039	1,984,650	19,712,759	993%
2040	1,805,350	19,739,647	1093%
2041	1,633,476	19,566,282	1198%
2042	1,469,753	19,225,399	1308%
2043	1,314,597	18,761,325	1427%
2044	1,168,735	18,194,864	1557%
2045	1,033,000	17,506,259	1695%
2046	908,095	16,687,120	1838%
2047	793,890	15,773,573	1987%
2048	689,950	14,808,934	2146%
2049	596,068	13,849,678	2324%
2050	512,106	12,888,331	2517%
2051	437,837	11,962,320	2732%
2052	372,743	11,192,138	3003%
2053	316,006	10,468,479	3313%
2054	266,731	9,768,206	3662%
2055	224,108	9,106,219	4063%
2056	187,399	8,440,756	4504%
2057+	816,465	62,482,544	7653%

* Historical 2018 Experience - 1/1/2018 through 6/30/2018

** Projected 2018 Experience - 7/1/2018 through 12/31/2018

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,886,104	2,400,811	83%
2019	6,283,890	5,139,411	82%
2020	8,562,742	5,353,981	63%
2021	8,466,475	5,808,120	69%
2022	8,220,996	6,313,943	77%
2023	7,967,767	6,927,688	87%
2024	7,707,512	7,616,105	99%
2025	7,440,960	8,371,127	113%
2026	7,168,236	9,183,396	128%
2027	6,886,539	10,046,266	146%
2028	6,593,473	10,941,350	166%
2029	6,288,672	11,855,982	189%
2030	5,973,081	12,784,131	214%
2031	5,648,661	13,685,880	242%
2032	5,320,290	14,542,102	273%
2033	4,992,277	15,335,574	307%
2034	4,666,643	16,071,966	344%
2035	4,344,917	16,739,990	385%
2036	4,029,143	17,279,834	429%
2037	3,720,544	17,686,027	475%
2038	3,420,094	17,962,931	525%
2039	3,128,217	18,116,136	579%
2040	2,845,604	18,130,392	637%
2041	2,574,694	17,961,117	698%
2042	2,316,634	17,638,619	761%
2043	2,072,076	17,203,681	830%
2044	1,842,166	16,675,796	905%
2045	1,628,221	16,037,253	985%
2046	1,431,345	15,280,222	1068%
2047	1,251,334	14,437,764	1154%
2048	1,087,503	13,549,498	1246%
2049	939,526	12,667,127	1348%
2050	807,185	11,783,817	1460%
2051	690,122	10,933,604	1584%
2052	587,520	10,226,262	1741%
2053	498,091	9,561,947	1920%
2054	420,424	8,919,556	2122%
2055	353,241	8,312,678	2353%
2056	295,380	7,703,157	2608%
2057+	1,286,917	56,949,514	4425%

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2011	199,638,231	64,300,929	32%	199,638,231	64,300,929	32%
Present Value of Future to 6/30/2018	63,712,216	236,388,373	371%	96,115,335	218,420,971	227%
Total Values (Discounted at 4.5%)	263,350,447	300,689,302	114%	295,753,566	282,721,899	96%

Projected Loss Ratio						
Overall		Without Increase	114%		With Increase	96%

Minimum Lifetime Loss Ratio 60%

Appendix F
The Prudential Insurance Company of America
Historical and Projected Experience
Virginia Experience - Policies Issued Prior to 10/1/2003
Virginia Premium Rate Basis
GLTC2

Historical

Calendar Year	Earned Premium	Reserve Transfer	Earned Premium + Reserve Transfer	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1998	0	0	0	0	0	0	0%
1999	10,267	0	10,267	0	0	0	0%
2000	145,417	0	145,417	0	0	0	0%
2001	205,570	0	205,570	0	0	0	0%
2002	281,305	0	281,305	1,335	0	1,335	0%
2003	384,439	0	384,439	0	0	0	0%
2004	299,492	0	299,492	256,869	0	256,869	86%
2005	283,910	0	283,910	0	0	0	0%
2006	277,019	0	277,019	17,082	0	17,082	6%
2007	272,042	0	272,042	155,890	0	155,890	57%
2008	243,971	0	243,971	0	0	0	0%
2009	231,182	0	231,182	0	0	0	0%
2010	230,977	0	230,977	0	0	0	0%
2011	240,128	0	240,128	16,621	0	16,621	7%
2012	244,933	0	244,933	0	0	0	0%
2013	223,518	0	223,518	3,294	0	3,294	1%
2014	231,275	0	231,275	91,332	0	91,332	39%
2015	247,758	0	247,758	170,787	160,293	331,080	134%
2016	251,659	0	251,659	180,139	271,316	451,455	179%
2017	266,354	0	266,354	38,206	302,594	340,800	128%
2018*	125,940	0	125,940	4,570	0	4,570	4%

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	126,348	87,085	69%
2019	248,396	189,847	76%
2020	242,456	211,588	87%
2021	236,271	235,364	100%
2022	229,835	259,738	113%
2023	223,160	286,997	129%
2024	216,266	319,877	148%
2025	209,121	356,112	170%
2026	201,706	395,351	196%
2027	194,006	436,032	225%
2028	186,012	480,639	258%
2029	177,717	525,976	296%
2030	169,195	573,375	339%
2031	160,518	621,443	387%
2032	151,758	666,936	439%
2033	143,010	712,507	498%
2034	134,334	755,316	562%
2035	125,756	796,702	634%
2036	117,295	835,145	712%
2037	108,982	868,353	797%
2038	100,852	899,428	892%
2039	92,905	927,142	998%
2040	85,144	949,192	1115%
2041	77,611	963,477	1241%
2042	70,342	969,142	1378%
2043	63,375	966,233	1525%
2044	56,737	957,867	1688%
2045	50,464	941,865	1866%
2046	44,593	914,992	2052%
2047	39,149	878,383	2244%
2048	34,133	829,958	2432%
2049	29,538	779,553	2639%
2050	25,377	728,412	2870%
2051	21,659	677,092	3126%
2052	18,379	624,261	3397%
2053	15,520	581,594	3747%
2054	13,039	540,912	4149%
2055	10,900	500,142	4588%
2056	9,069	460,543	5078%
2057+	39,779	2,863,547	7199%

* Historical 2018 Experience - 1/1/2018 through 6/30/2018

** Projected 2018 Experience - 7/1/2018 through 12/31/2018

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	126,348	87,085	69%
2019	275,437	187,814	68%
2020	375,972	198,462	53%
2021	372,412	219,766	59%
2022	362,268	242,258	67%
2023	351,746	267,359	76%
2024	340,879	297,611	87%
2025	329,618	330,919	100%
2026	317,930	366,940	115%
2027	305,793	404,190	132%
2028	293,193	445,000	152%
2029	280,119	486,397	174%
2030	266,686	529,667	199%
2031	253,009	573,519	227%
2032	239,202	614,952	257%
2033	225,413	656,415	291%
2034	211,738	695,298	328%
2035	198,217	732,864	370%
2036	184,881	767,723	415%
2037	171,778	797,755	464%
2038	158,963	825,825	520%
2039	146,438	850,799	581%
2040	134,204	870,572	649%
2041	122,330	883,226	722%
2042	110,873	887,981	801%
2043	99,892	884,907	886%
2044	89,429	876,860	981%
2045	79,542	861,855	1084%
2046	70,288	836,945	1191%
2047	61,706	803,168	1302%
2048	53,800	758,634	1410%
2049	46,558	712,332	1530%
2050	40,000	665,393	1663%
2051	34,138	618,334	1811%
2052	28,970	569,937	1967%
2053	24,462	530,832	2170%
2054	20,552	493,567	2402%
2055	17,181	456,249	2656%
2056	14,294	420,028	2938%
2057+	62,699	2,610,138	4163%

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2011	7,275,483	2,127,574	29%	7,275,483	2,127,574	29%
Present Value of Future to 6/30/2018	2,847,507	10,707,406	376%	4,299,497	9,873,047	230%
Total Values (Discounted at 4.5%)	10,122,990	12,834,980	127%	11,574,980	12,000,621	104%

Projected Loss Ratio

Overall	Without Increase	With Increase
	127%	104%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Issue Year				
1998	5	0.1%	13,024	0.2%
1999	62	1.5%	109,334	1.9%
2000	720	17.9%	989,224	17.2%
2001	1,366	34.0%	2,069,072	36.0%
2002	1,570	39.1%	2,124,302	37.0%
2003	295	7.3%	444,082	7.7%
Total	4,018	100.0%	5,749,037	100.0%

Issue Age				
Under 30	74	1.8%	32,962	0.6%
30-34	196	4.9%	99,564	1.7%
35-39	358	8.9%	252,654	4.4%
40-44	536	13.3%	517,052	9.0%
45-49	721	17.9%	881,539	15.3%
50-54	937	23.3%	1,437,854	25.0%
55-59	721	17.9%	1,385,250	24.1%
60-64	339	8.4%	798,898	13.9%
65-69	91	2.3%	239,813	4.2%
70-74	39	1.0%	93,575	1.6%
75-79	6	0.1%	9,876	0.2%
Total	4,018	100.0%	5,749,037	100.0%

Average Issue Age 49.3

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Attained Age				
35-39	6	0.1%	1,415	0.0%
40-44	29	0.7%	11,135	0.2%
45-49	107	2.7%	44,179	0.8%
50-54	225	5.6%	134,108	2.3%
55-59	446	11.1%	348,782	6.1%
60-64	632	15.7%	676,151	11.8%
65-69	875	21.8%	1,169,172	20.3%
70-74	858	21.4%	1,476,179	25.7%
75-79	517	12.9%	1,085,794	18.9%
80+	323	8.0%	802,123	14.0%
Total	4,018	100.0%	5,749,037	100.0%

Average Attained Age 67.1

Gender				
Male	1,712	42.6%	2,538,917	44.2%
Female	2,306	57.4%	3,210,120	55.8%
Total	4,018	100.0%	5,749,037	100.0%

Inflation Option				
GPO	3,206	79.8%	4,468,719	77.7%
5% Compound Lifetime	812	20.2%	1,280,318	22.3%
Total	4,018	100.0%	5,749,037	100.0%

Elimination Period				
30 Day	247	6.1%	484,551	8.4%
60 Day	384	9.6%	594,545	10.3%
90 Day	3,387	84.3%	4,669,941	81.2%
Total	4,018	100.0%	5,749,037	100.0%

Benefit Period				
3 Years	172	4.3%	179,718	3.1%
5 Years	3,320	82.6%	4,686,917	81.5%
10 Years	525	13.1%	880,349	15.3%
Lifetime	1	0.0%	2,053	0.0%
Total	4,018	100.0%	5,749,037	100.0%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Premium Period				
Lifetime	4,018	100.0%	5,749,037	100.0%
Total	4,018	100.0%	5,749,037	100.0%
Marital Status				
Composite	4,018	100.0%	5,749,037	100.0%
Total	4,018	100.0%	5,749,037	100.0%
Insured Type				
Employee	2,660	66.2%	3,763,322	65.5%
Spouse	950	23.6%	1,337,752	23.3%
Assoc	310	7.7%	470,558	8.2%
Other	98	2.4%	177,405	3.1%
Total	4,018	100.0%	5,749,037	100.0%
Underwriting Category				
Full	1,304	32.5%	1,909,721	33.2%
Guaranteed Issue (Including Core)	2,660	66.2%	3,763,322	65.5%
Simplified Issue	54	1.3%	75,994	1.3%
Total	4,018	100.0%	5,749,037	100.0%
Benefit Measure				
Daily	4,018	100.0%	5,749,037	100.0%
Total	4,018	100.0%	5,749,037	100.0%
Reimbursement Type				
Cash	532	13.2%	920,174	16.0%
Reimbursement	3,486	86.8%	4,828,863	84.0%
Total	4,018	100.0%	5,749,037	100.0%

Appendix E
The Prudential Insurance Company of America
Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Issue State				
AK	6	0.1%	9,373	0.2%
AR	9	0.2%	7,645	0.1%
AZ	10	0.2%	10,018	0.2%
CA	451	11.2%	560,989	9.8%
CO	5	0.1%	887	0.0%
CT	19	0.5%	43,939	0.8%
DC	23	0.6%	37,170	0.6%
DE	42	1.0%	57,473	1.0%
FL	163	4.1%	255,514	4.4%
GA	3	0.1%	2,953	0.1%
ID	5	0.1%	2,278	0.0%
IL	14	0.3%	15,740	0.3%
IN	25	0.6%	38,321	0.7%
KS	85	2.1%	97,956	1.7%
LA	15	0.4%	20,304	0.4%
MA	50	1.2%	64,418	1.1%
MD	996	24.8%	1,538,206	26.8%
MI	83	2.1%	110,693	1.9%
MN	334	8.3%	321,072	5.6%
MO	27	0.7%	30,565	0.5%
MS	10	0.2%	16,224	0.3%
MT	1	0.0%	1,785	0.0%
NC	60	1.5%	61,642	1.1%
NE	13	0.3%	12,328	0.2%
NH	14	0.3%	24,551	0.4%
NJ	466	11.6%	775,335	13.5%
NM	20	0.5%	31,443	0.5%
NY	552	13.7%	900,802	15.7%
OH	147	3.7%	183,192	3.2%
OK	21	0.5%	23,948	0.4%
OR	32	0.8%	34,159	0.6%
SC	12	0.3%	24,453	0.4%
TN	8	0.2%	13,051	0.2%
TX	74	1.8%	115,239	2.0%
UT	2	0.0%	1,152	0.0%
VA	178	4.4%	253,564	4.4%
VT	2	0.0%	3,996	0.1%
WA	27	0.7%	34,654	0.6%
WI	14	0.3%	12,003	0.2%
Total	4,018	100.0%	5,749,037	100.0%

Appendix E
The Prudential Insurance Company of America
Virginia Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Issue Year				
1998	0	0.0%	0	0.0%
1999	17	9.6%	48,808	19.2%
2000	16	9.0%	35,824	14.1%
2001	38	21.3%	47,308	18.7%
2002	91	51.1%	101,063	39.9%
2003	16	9.0%	20,561	8.1%
Total	178	100.0%	253,564	100.0%

Issue Age				
Under 30	6	3.4%	1,174	0.5%
30-34	9	5.1%	3,954	1.6%
35-39	7	3.9%	4,616	1.8%
40-44	27	15.2%	19,036	7.5%
45-49	49	27.5%	59,415	23.4%
50-54	38	21.3%	56,758	22.4%
55-59	26	14.6%	44,071	17.4%
60-64	13	7.3%	41,776	16.5%
65-69	3	1.7%	22,765	9.0%
70-74	0	0.0%	0	0.0%
75-79	0	0.0%	0	0.0%
Total	178	100.0%	253,564	100.0%

Average Issue Age 48.4

Appendix E
The Prudential Insurance Company of America
Virginia Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Attained Age				
35-39	0	0.0%	0	0.0%
40-44	2	1.1%	370	0.1%
45-49	10	5.6%	3,191	1.3%
50-54	7	3.9%	3,603	1.4%
55-59	23	12.9%	15,582	6.1%
60-64	41	23.0%	42,856	16.9%
65-69	36	20.2%	52,699	20.8%
70-74	34	19.1%	52,920	20.9%
75-79	20	11.2%	50,571	19.9%
80+	5	2.8%	31,772	12.5%
Total	178	100.0%	253,564	100.0%

Average Attained Age 65.1

Gender				
Male	82	46.1%	138,024	54.4%
Female	96	53.9%	115,540	45.6%
Total	178	100.0%	253,564	100.0%

Inflation Option				
GPO	128	71.9%	183,229	72.3%
5% Compound Lifetime	50	28.1%	70,335	27.7%
Total	178	100.0%	253,564	100.0%

Elimination Period				
30 Day	2	1.1%	4,335	1.7%
60 Day	42	23.6%	84,739	33.4%
90 Day	134	75.3%	164,490	64.9%
Total	178	100.0%	253,564	100.0%

Benefit Period				
3 Years	2	1.1%	351	0.1%
5 Years	174	97.8%	250,826	98.9%
10 Years	2	1.1%	2,387	0.9%
Lifetime	0	0.0%	0	0.0%
Total	178	100.0%	253,564	100.0%

Appendix E
The Prudential Insurance Company of America
Virginia Distribution of Inforce Business as of June 30, 2018
GLTC2

	Count	% of Count	Premium	% of Premium
Premium Period				
Lifetime	178	100.0%	253,564	100.0%
Total	178	100.0%	253,564	100.0%
Marital Status				
Composite	178	100.0%	253,564	100.0%
Total	178	100.0%	253,564	100.0%
Insured Type				
Employee	137	77.0%	191,882	75.7%
Spouse	40	22.5%	61,682	24.3%
Assoc	0	0.0%	0	0.0%
Other	1	0.6%	0	0.0%
Total	178	100.0%	253,564	100.0%
Underwriting Category				
Full	24	13.5%	40,146	15.8%
Guaranteed Issue (Including Core)	137	77.0%	191,882	75.7%
Simplified Issue	17	9.6%	21,536	8.5%
Total	178	100.0%	253,564	100.0%
Benefit Measure				
Daily	178	100.0%	253,564	100.0%
Total	178	100.0%	253,564	100.0%
Reimbursement Type				
Cash	18	10.1%	43,733	17.2%
Reimbursement	160	89.9%	209,832	82.8%
Total	178	100.0%	253,564	100.0%

November 11, 2021
Actuarial Memorandum Supporting Rate Revision for
The Prudential Insurance Company of America
Group Long-Term Care Insurance Plan
Virginia
Policies issued prior to October 1, 2003

1. Scope and Purpose

The purpose of this memorandum is to provide actuarial information supporting a rate revision to premiums for the following The Prudential Insurance Company of America's Tax-Qualified group long-term care Forms and their associated riders:

<u>Product Name</u>	<u>Form Number</u>
GLTC2	83500 GR 1062

This product was first available nationwide in 1998. Some riders may not be available in all states. This rate filing is not intended to be used for other purposes.

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are worse than the expected loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience.

Prudential is filing for premium rate increases in each state where policies of these forms were issued.

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. There will also be opportunities for almost all certificate holders to keep the premium at or below the same level they were paying prior to the rate revision. These options will include reducing the lifetime maximum, reducing the daily benefit, and eliminating optional riders. In addition, the contingent non-forfeiture benefit will be available for all certificate holders regardless of their age or rate increase amount.

Please refer to Section 20 for a description of the information contained in each Appendix included in the filing.

2. Description of Benefits

The policies issued on these forms are referred as the "GLTC2" product series. This plan was a Guaranteed Renewable, Group Long-Term Care policy that was issued to eligible active employees and retirees of employer groups and eligible members of association groups. In addition, coverage was offered to spouses, parents, parents-in-law, and grandparents of eligible

**Actuarial Memorandum Supporting Rate Revisions for
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Group Long-Term Care Insurance Product
November 11, 2021**

active employees and members in these groups.

This product provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, home and community-based care or hospice care. This product is intended to be a Tax Qualified Long Term Care Insurance Contract as defined by the internal revenue code section 7702B(b).

This product reimburses covered long-term care expenses subject to the amount of coverage purchased. A benefit waiting / elimination period, daily maximum benefit amount for nursing home, assisted living facility and home and community care, lifetime maximum benefit period and inflation protection option are selected at issue. The Group client selects a limited number of benefit choices for their employees to choose from. Several optional riders were also available. The available choices can be found in the attached premium rate tables.

The benefit eligibility criteria is based on the insured's loss of the ability to perform activities of daily living (ADLs) or having a severe cognitive impairment. Activities of Daily Living are bathing, continence, dressing, eating, toileting, and transferring. Premiums will be waived beginning the first day of the next month following when LTC benefits are payable.

3. Renewability Clause

These products are Guaranteed Renewable, Group Long Term Care policies.

4. Applicability

The premium increase contained in this memorandum will be applicable to all certificate holders of the policy form and riders described in Section 1 as well as all future periodic inflation protection offers. The revised premium rate schedules can be found in Appendix D.

5. Actuarial Assumptions

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of how the experience studies were conducted that were used to develop the actuarial assumptions. The assumptions used in this filing are

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Group Long-Term Care Insurance Product
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Prudential's best estimate expectations of future experience as of the time of this filing and do not include any provisions for adverse experience. These assumptions are the basis for the assumptions being used in the company's internal cash flow testing.

Morbidity

The best estimate morbidity assumptions were developed based on a combination of Prudential's historical claim experience, the *Milliman 2014 Long Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over 29 million life years of exposure and \$25 billion of incurred claims and the experience and judgment of Milliman actuaries. The policy design and coverages, the underwriting applied at the time, and the claim adjudication process were all considered when setting the claim cost assumptions. The claim cost assumptions reflect Prudential's current best estimate of future morbidity. The best estimate assumptions do not include an assumption for morbidity improvement. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.

Mortality

The mortality assumptions were developed from a mortality study conducted on Prudential's experience and judgment. The current best estimate mortality assumption is the 2012 IAM Basic Table on an Age Last Birthday basis with mortality selection factors and mortality improvement. The mortality selection factors vary by issue age, gender and duration. The factors are generally below 1 in the early durations and grade to 1.05 in the ultimate (dur 30+) period. Future mortality improvement of 1% per year for 20 years (2018 through 2038) is assumed. We assumed all remaining policies would terminate at attained age 120. The assumptions do not include any loads for moderately adverse experience.

Lapses

The voluntary lapse assumptions were developed from a policy persistency study conducted on Prudential's experience and judgment. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaust or benefit buy-downs. These are separate from our shock lapse assumptions which we define as terminations due to rate increases. The lapse assumptions represent the current best estimate expectations of future experience and do not include any provisions for adverse experience. Lastly, the projections include an annualized shock lapse rate of 9.1% assumed over the expected

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Group Long-Term Care Insurance Product
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implementation period. This annual shock lapse rate represents the estimated impact of policyholders lapsing their policy due to the rate increase but maintaining a nonforfeiture benefit as well as policyholders electing benefit reductions. Voluntary lapse rates are shown below and vary by policy duration. For “Core” business, where the employer pays for the coverage, the lapse rate is 24.1%, grades to an ultimate rate of 4.5% by attained age 65 and is 0.6% AA 65+. For one specific large group, based on the credible experience of that group, the lapse rate is 0.7% and grades to an ultimate rate of 0.4% by duration 30.

Duration	All except Core and large group client	Core*	Large Group Client**
1	8.2%	24.1%	0.7%
2	5.7%	24.1%	0.7%
3	4.8%	13.5%	0.7%
4	2.1%	13.5%	0.7%
5	2.1%	13.5%	0.7%
6	2.1%	8.0%	0.7%
7	2.1%	8.0%	0.7%
8	2.1%	8.0%	0.7%
9	2.0%	8.0%	0.7%
10	1.5%	5.8%	0.65%
11	1.5%	4.5%	0.65%
12	0.9%	4.5%	0.65%
13	0.8%	4.5%	0.65%
14	0.7%	4.5%	0.65%
15	0.65%	4.5%	0.65%
16+	0.6%	4.5%	0.65%

*0.6% ultimate lapse rate at AA 65

** Dur 30+ is 0.6%

Interest Rate

An annual interest rate of 4.5% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.5%.

Expenses

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Group Long-Term Care Insurance Product
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The need for a rate increase is based on the lifetime loss ratio being in excess of the minimum loss ratio. Expenses do not directly impact the lifetime loss ratio and therefore are not used as justification for the rate increase. As such, expenses are not being projected and are not included in this filing.

6. Issue Age Range

This product was available for issue ages up to 85. Premiums are based on issue age.

7. Area Factors

The Company did not use area factors within the state in the premium scale for this product.

8. Average Annual Premium

The average annual premium for this product for both prior to the impact of the requested rate increase, and after, is indicated in Appendix A to this memorandum.

9. Modal Premium Factors

Modal loads are required because of the varied expenses incurred by the Company and the effect of interest and persistency. The modal premium factors will remain unchanged from the current factors.

10. Claim Liability and Reserve

Claim reserves were calculated using appropriate actuarial methods for IBNR and for open claims on a disabled life basis. The claim reserves were discounted to the date of incurral for each claim and have been included in the historical incurred claims.

11. Active Life Reserves

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We have provided supporting evidence for the justification of the proposed increase based on the relationship of incurred claims divided by earned premium compared to the minimum required loss ratios. Incurred claims exclude any change in active life reserves.

12. Trend Assumption

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not included any medical trend in the projections.

13. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements

Prudential is requesting a 73.4% premium increase, to be applied to all GLTC2 inforce certificate holders and implemented over the 2-year phase-in schedule shown below:

	Year 1	Year 2	Total
Rate Increase	31.7%	31.6%	73.4%

Satisfaction of the loss ratio requirement is demonstrated in Appendix A. The demonstration is based on a minimum loss ratio. This shows that with the requested rate increase the expected lifetime loss ratio exceeds the minimum loss ratio requirement. The minimum loss ratio for this state is shown in Appendix A.

14. Distribution of Business

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2018 to project future experience. Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

15. Experience – Past and Future

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The historical and projected nationwide, both with and without the rate increase, is contained in Appendix B. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B. Additionally, the historical and projected nationwide experience provided is on Virginia rate basis to avoid subsidization amongst states.

The historical and projected experience for this state, both with and without the rate increase, is contained in Appendix F. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix F.

Historical experience is shown by claim incurral year.

16. Lifetime Loss Ratio

The anticipated nationwide lifetime loss ratios, both without a rate increase and with the requested rate increase, are shown in Appendix A. The development of these nationwide lifetime loss ratios is shown in Appendix B.

The rate increase is assumed effective October 1, 2019 in our projections.

17. History of Rate Adjustments

There have been no previous rate increases on inforce policyholders with this policy form.

18. Number of Policyholders

The current number of policyholders as of June 30, 2018 can be found in Appendix A.

19. Proposed Effective Date

This rate revision will be implemented following state approval and a minimum of a 75 day notification to the certificate holder. Implementation will be no earlier than October 1, 2019.

**Actuarial Memorandum Supporting Rate Revisions for
The Prudential Insurance Company of American
Group Long-Term Care Insurance Product
November 11, 2021**

20. Summary of Appendices

Appendix A primarily contains information that is specific to the state in which this filing is made. Examples of some items included are the requested rate increase, the average annual premium, demonstration of meeting required minimum loss ratio standards, the number of policyholders inforce, etc.

Appendix B contains historical and projected nationwide experience for all policies issued under this form on Virginia state rate basis. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase. Note that is no margin for adverse deviation in the future incurred claim projections in Appendix B.

Appendix C describes the development of the best estimate morbidity, mortality and voluntary lapse assumptions and contains three exhibits that show actual to expected experience. The expected values in these exhibits reflect Prudential's current assumptions at the time of this filing. Actual to expected results close to 100% demonstrates that the current assumptions are reasonable compared to the actual results.

Appendix D contains the premium rate pages associated with this filing.

Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

Appendix F contains the same information as Appendix B except it contains only state specific experience and projections.

21. Relationship of Renewal Premium to New Business Premium.

Prudential is no longer selling any new Long-Term Care business. Therefore, the comparison of renewal premium rates after the rate increase to the Company's current new business premium rate schedule is not applicable.

22. Actuarial Certification

I am a member of the American Academy of Actuaries. I meet the Academy's qualification

**Actuarial Memorandum Supporting Rate Revisions for
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November 11, 2021**

standards for rendering this opinion and am familiar with the requirements for filing long term care insurance premiums.

To the best of my knowledge and judgment this rate filing is in compliance with the applicable laws and regulations of this State as they relate to premium rate developments and revisions.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all considered when setting the actuarial assumptions.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's current best estimates and do not include a margin for adverse experience.

The premium rates are not excessive or unfairly discriminatory.

A handwritten signature in black ink that reads "Michael Zilberman". The signature is written in a cursive, flowing style.

Michael Zilberman, FSA, MAAA
Director, Actuary
Prudential Long Term Care
November 11, 2021

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number: The Prudential Insurance Company of America - 304-68241

SERFF Tracking Number: PRUD-131998709

Revised Rates

Average Annual Premium Per Member: 106%

Average Requested Percentage Rate Change Per Member: 106%

Range of Requested Rate Changes: 106%

Number of Virginia Policyholders Affected: 178

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
83500 GR 1062	GLTC-2	1998 - 2003	N/A	Future Rate Increases are possible

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

(Rev. 06/19)

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of this, we are requesting a total rate increase of 73.4% to be implemented over the course of two years for the series of forms 83500 GR 1062 in the state of Virginia. This same increase is also being requested nationwide on comparable forms. It impacts a broad group of long term care insurance customers and is not based on any individual's personal factors, such as health status or claim history.

Prudential determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage, and prevailing interest rates.

After conducting an extensive review of our actual experience concerning each of these factors, Prudential determined that a premium increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims.



John L. Timmerberg, ASA, MAAA
Vice President and Actuary
Financial Management

The Prudential Insurance Company of America
Long Term Care Unit
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Newark, NJ 07102
Tel 973-802-6596
john.timmerberg@prudential.com

July 1, 2019

The Honorable Scott White
Commissioner of Insurance
Virginia State Corporation Commission
Bureau of Insurance
1300 East Main Street
Richmond, VA 23219

Re.: The Prudential Insurance Company of America
NAIC #304-68241
Group Long Term Care Insurance
Form Numbers: 83500 GR 1062, et al

Dear Commissioner White:

We enclose for your review a group long-term care insurance rate schedule change. We are requesting the approval or authorization of a premium rate increase for the above referenced forms.

Form series 83500 GR 1062, et al, et al were previously approved or authorized by the Department on January 5, 1998. The product was first made available nationwide in 1998. We are no longer actively marketing this coverage.

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of these results, we are requesting a rate increase of 106% for the series of forms 83500 GR 1062, et al in the state of Virginia.

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We will continue to monitor the performance of this block of business after this rate action. It is possible that as we continue to regularly review the experience of these series of forms, another increase may be needed in the future.

The deterioration of experience relative to pricing has contributed to the need to strengthen Prudential's Reserves, depleting surplus. In 2018 Prudential increased its pre-tax GAAP reserves by \$1.5 billion to account for the impact of revised assumptions due to recent deterioration in experience. This change in GAAP reserves was primarily driven by changes to our morbidity assumptions.

The requested rate increases will not restore original profit margins, but will help Prudential avoid additional losses as well as further depletion of its surplus. Approval of the requested rate increase will also help maintain equity amongst the states. Deferring rate increases will only increase the size of needed future rate increases.

After state approval or authorization is obtained, Prudential will establish an implementation date for impacted group contracts. The increase for impacted insureds will become effective on the first premium due date following the implementation of the rate increase established for their group. The earliest increase will be effective no earlier than October 1, 2019. Prudential will provide at least 75 days advance notice of the rate increase to the Group Contract Holder and certificateholders, according to the contractual and regulatory provisions.

We understand that a premium increase may be difficult for impacted insureds to absorb. Consequently, Prudential is prepared to offer options to enable policyholders to partially or fully offset the rate increase with benefit reductions such as reducing the Lifetime Maximum, decreasing their Daily Benefit Maximum, or dropping optional rider(s). Additionally, as an alternative, impacted insureds may also exercise their rights under a non-forfeiture benefit option or the plan's contingent non-forfeiture provision.

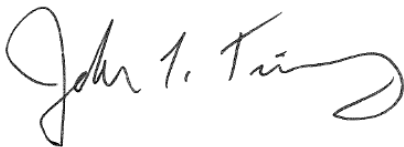
The following items are included with this submission:

- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- Advance Notification Packet

Correspondence: Please correspond directly with my associate concerning this filing.

Raenonna Prince, CLTC, LTCP
Lead Analyst
The Prudential Insurance Company of America
2101 Welsh Rd.
Dresher, PA 19025
Voice: (800) 732-0416 or (215) 658-6281
Fax: (888) 294-6335
e-mail: raenonna.prince@prudential.com

Very truly yours,

A handwritten signature in black ink, appearing to read "John L. Timmerberg". The signature is fluid and cursive, with a large loop at the end.

John L. Timmerberg, ASA, MAAA
Vice President and Actuary

Enclosures

Appendix C

The Prudential Insurance Company of America

Description of Experience Analysis and Assumption Setting

Mortality Study

The total mortality rate assumptions are can be broken into in three distinct parts: (1) a base rate industry mortality table, (2) selection factors created to adjust the table based on Prudential experience, and (3) a mortality improvement factor. The best estimate assumption is applied at the policy level. The industry table rates are attained age and male/female based. The Prudential experience based selection factors vary by issue age, gender and duration of the policy. The improvement assumption varies by calendar year. The selection factor assumptions are developed separately for individual and group products, but base rate table and improvement factors are the same for both products.

The 2Q 18 best estimate mortality assumption was developed using the most recent 5 years of data and a 95% confidence interval test based on the 2017 Best Estimate assumptions as the expected. The assumption was changed if it falls outside the 95% CI. The test was performed at the product and gender level. The selection factors grade to 105% at duration 30 and later consistent with 2Q 17 best estimate assumptions.

Mortality improvement is a factor that is applied to the mortality rate that has been adjusted by selection factors. It is intended to reflect the notion that the probability of death for a given age will decrease over time, as the population as a whole is living longer, indicating an improvement in mortality. The rate will level out after 20 years into the projection.

Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017. This year we used Measure, a Polysystems software, to perform the analysis. This allowed us to use more recent data in our study.

The future expected mortality assumptions were developed based on this historical actual experience and judgment. Based on our analysis, the 2012 IAM Basic Table on an ALB basis matched actual experience the closest, with some adjustments, i.e. ultimate selection factors. Mortality selection factors were developed by issue age, gender, duration, and product type to best match our actual experience using the mortality table as a base.

Voluntary Lapse Study

A voluntary lapse study was also conducted on the Company's actual experience using data through September 30, 2017. Voluntary lapse rates were calculated based on actual lapses using experience in years 7/1/2014 – 6/30/2017 with lapses reported through 9/30/2017. Similar to

mortality, this year we performed the analysis in house. This allowed us to use more recent data in our study. Voluntary lapses are studied using actual terminations. The impact of shock lapses that occur due to rate increases were removed from the voluntary lapse study to ensure that the lapse experience was not overstated. The future expected voluntary lapse assumptions were developed based on the historical actual experience and judgment. The expected lapse rates vary by policy duration, attained age and select business segments.

Morbidity Study

The morbidity experience on disabled lives (i.e., in claim status) is of critical importance, as it also plays a crucial role in shaping our base morbidity experience on active lives as well as informing our judgment on morbidity improvement. Morbidity is comprised of several assumptions, including utilization, fitting factors, claim cost guidelines, and cost of care inflation.

For 2Q 2018, the experience data analysis was brought in house, and a deep dive on our disabled life assumptions was performed. For the disabled lives analysis, more granularity has been included for site of care where it now matches the granularity of the active life reserves. Additionally, the analysis has led to the conclusion that there are significant differences in utilization by claim duration. We refined the claim continuance assumptions by claim duration and updated the termination rates by site of care and key benefit plans. We performed an iterative analysis of a claim retrospective test by the different drivers of morbidity and along different slices of the business (active, inactive pending, IBNR/CBER) along with the experience-based study of terminations. In the end we created a curve using actuarial judgment that fit well to our experience and produced a better fit to our retrospective tests.

The morbidity study used for active lives modeling was conducted on the Company's nationwide actual experience on incurred claims through Dec 31, 2017 with claims run out through Dec 31, 2017. The approach used to develop best estimate morbidity assumptions was to start with a set of baseline expected claims and review the experience along several key demographic and benefit characteristics. The primary focus was to develop fitting factors was to match historical incurred claims to expected incurred claims.

A claim is based on Prudential's data using the data field "Date First Eligible" (DFE). Each unique DFE is used to identify a claim. Actual claim incidence is determined by counting each claim. Paid claims are discounted (using an interest rate of 5.5% in the appendices) back to the claim incurred date. The claim reserves are discounted from valuation date to the claim incurred date using a 5.5% discount rate. Both paid claims and claim reserves have a 4.5% load applied to reflect waiver of premium. The claim reserves do not include an LAE load or an explicit margin. Actual incurred claims are calculated by adding together the present value of paid claims and claim reserves (including IBNR). Actual average claim severity is calculated by dividing actual incurred claims by the count of claims. In the morbidity study, waiver of premium is

excluded from both the actual claims and expected claims.

The baseline expected incurred claims were developed from Milliman's 2014 LTC Guidelines (*Guidelines*). Given the large size of the data supporting the *Guidelines*, it was viewed as a credible starting point for the analysis. Also, a composite factor was developed for the business based on the distribution by state and the area adjustment factors from the *Guidelines*. The best estimate assumptions do not include an assumption for morbidity improvement.

The process of developing fitting factors, starting with the baseline expected, generally followed the following steps:

- Review experience by issue year and product to determine if the baseline selection factors used are appropriate
- Review experience by issue age, gender, marital status and / or underwriting type
- Review experience by key benefit and demographic characteristics

It should be noted that many of the factors are related to each other. The fitting factors are Prudential adjustments to the 2014 Milliman Cost of Care Guidelines. The guidelines are a set of claim costs based on Milliman's slice of industry wide LTC insurance claims of \$25 Billion. The guidelines include base assumptions, but they are customized to a given company based on characteristics such as underwriting and product design.

The Prudential Insurance Company of America
Appendix C - Exhibit 1
Mortality Study
Experience by Policy Duration
GLTC

Duration	Actual Exposures	Actual Mortality	Current Best Estimate	Actual/Best Estimate
1-5	191,762	439	467	94%
6-10	215,958	832	856	97%
11-15	188,890	1,260	1,256	100%
16-20	81,906	858	855	100%
21-25	104,964	1,743	1,778	98%
26+	35,294	868	860	101%
Total	818,773	6,000	6,071	99%

Notes:

- 1) Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017.
- 2) Expected Mortality Rate uses 2012 IAM Basic Mortality Table, with mortality selection factors, and 1% improvement per year through 2038.

The Prudential Insurance Company of America
Appendix C - Exhibit 2
Lapse Study
Experience by Policy Duration
GLTC

Duration	Actual Exposures	Number of Lapses	Number of Expected Lapses	Actual Lapse Rate	Expected Lapse Rate	Actual/Best Estimate
1	764	36	63	4.7%	8.2%	58%
2	4,984	241	284	4.8%	5.7%	85%
3	18,280	876	876	4.8%	4.8%	100%
4	24,065	580	505	2.4%	2.1%	115%
5	23,545	500	494	2.1%	2.1%	101%
6	18,039	325	379	1.8%	2.1%	86%
7	16,762	367	352	2.2%	2.1%	104%
8	15,927	270	334	1.7%	2.1%	81%
9	17,359	357	347	2.1%	2.0%	103%
10	17,737	267	266	1.5%	1.5%	100%
11	19,496	334	292	1.7%	1.5%	114%
12+	175,386	1,170	1,182	0.7%	0.7%	99%
Grand Total	352,342	5,323	5,376	1.5%	1.5%	99%

Notes:

- 1) Actual lapse rates using July 2014 - June 2017 data were observed.
- 2) Shock lapses have been removed from both actual and expected values.
- 3) Expected Lapse Rate is the assumption used in the current projection assumption.

The Prudential Insurance Company of America
Appendix C - Exhibit 3
Claim Study
Experience by Calendar Year
GLTC

Incurred Yr	Actual Paid Claims (in \$MM)	DLR Reserve (in \$MM)	Actual Incurred Claims (in \$MM)	Expected Incurred Claims (in \$MM)	Actual to Expected
<=2005	37.58	1.08	38.65	35.51	109%
2006	6.78	0.29	7.07	7.67	92%
2007	10.46	0.73	11.20	9.51	118%
2008	11.43	0.77	12.20	14.38	85%
2009	18.34	1.68	20.02	22.67	88%
2010	24.26	3.23	27.50	29.29	94%
2011	27.98	4.04	32.02	36.13	89%
2012	32.64	6.92	39.56	41.41	96%
2013	34.74	9.69	44.43	47.55	93%
2014	35.63	20.91	56.54	53.24	106%
2015	35.07	30.98	66.05	59.10	112%
2016	24.42	41.21	65.63	64.46	102%
2017	11.80	63.67	75.47	70.78	107%
2018	0.38	36.56	36.94	39.21	94%
Grand Total	311.52	221.76	533.28	530.92	100%

Notes:

- 1) Experience is through June 30, 2018.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Expected Claims is based on Milliman's 2014 LTC Guidelines with 2018 Prudential experience fitting factors.
- 5) Claim dollar amounts are discounted using a 5.5% interest rate (both actual and expected).
- 6) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.
- 7) Morbidity improvement has been removed from the Expected Incurred Claims.

The Prudential Insurance Company of America
As Administered by CHCS
Long-Term Care Customer Service Center
P.O. Box 8526
Philadelphia, PA, 19176-8526
Tel: 1-800-732-0416 Fax: 1-877-773-9515

10/1/2021

John Doe
123 Main St.
Virginia City, VA 10101

Re: Long Term Care Insurance – **Notice of Premium Increase**
Certificate Number: 0123456789

Dear John Doe:

We are writing to inform you that we are increasing the premium for the above-referenced long term care insurance coverage by 106%. We understand this premium increase impacts you financially, but we hope you will continue to appreciate the value of your long term care insurance coverage. The increase impacts a broad group of long term care insurance customers like you and is not based on any individual's personal factors, such as health status or claim history. We determined that a premium rate increase was necessary after thoroughly evaluating the factors that impact premium rates, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the coverage and prevailing interest rates. After conducting an extensive review of our actual experience concerning each of these factors, we determined that a premium increase is necessary to continue to provide the quality insurance coverage you have come to expect. The new monthly premium payment will change from \$100.00 to \$206.00. This increase will take effect on 01/01/2022.¹

Your current premium is \$100.00, paid monthly. This premium increase implemented as shown in the chart below. This chart reflects your premium increase assuming no changes are made to your policy¹.

[IF STATE APPROVES A SINGLE INCREASE:]

Effective Date of Premium Increase	Premium Increase Percentage	New Monthly Premium
01/01/2022	106%	\$206.00

This rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI.

We have also notified the Group Contract Holder through which this coverage was purchased. Please read this letter carefully and in its entirety. Please also refer to the enclosed document entitled *Frequently Asked Questions*, which provides more information about this premium increase. If you have other questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416**. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

You will see this change reflected in the statement preceding the effective date of the increased premium rate.

If you decide to pay your premium at the increased rate listed above, your coverage will remain the same. In the alternative, we have set forth a number of options below that will allow you to reduce the amount of your premium increases by electing to reduce the amount of coverage you have. We urge you to consider each of these options carefully.

Personalized Options to Reduce the Impact of the Premium Rate Increase

- You may reduce your current Daily Maximum Benefit (DMB) for Nursing Home care. Please note all other benefits are calculated as a percentage or a factor of this Daily Maximum Benefit for Nursing Home amount; therefore, a reduction to the Daily Maximum Benefit for Nursing Home care will reduce all of your other benefits accordingly. This means the maximum benefit you could receive under the coverage for each day you receive benefits will be reduced to the amount stated below. This change would moderate the impact of the increase in premium.²

Please note that by reducing your Daily Maximum Benefit for Nursing Home care, you will also be reducing the total dollar amount of benefits payable under your coverage (Lifetime Maximum Benefit/LMB), since the Lifetime Maximum Benefit is calculated by multiplying the Daily Maximum Benefit for Nursing Home care by the number of days the coverage was intended to last, unless your coverage has an unlimited Lifetime Maximum Benefit. For example, \$100 Daily Maximum Benefit for Nursing Home care x 5 year plan x 365 days = \$182,500. Reducing the

Daily Maximum Benefit for Nursing Home care to \$80 = \$80 x 5 years x 365 days = \$146,000.

Before making any decision to reduce your Daily Maximum Benefit for Nursing Home care, please consider the current and future cost of care in the geographic area where you anticipate receiving care, and the amount you expect to be able to pay for care from your own assets and savings.

- You may reduce your Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits. This means your Lifetime Maximum Benefit shown in a dollar amount will be recalculated to a lower dollar amount. This change may help to minimize the impact of the increase in premium.
- You may reduce **both** your current Daily Maximum Benefit for Nursing Home care **and** your Lifetime Maximum Benefit. This combination of changes may help to minimize the impact of the increase in premium.

PERSONALIZED OPTIONS				
	Daily Maximum Benefit ²	Lifetime Maximum Benefit ³	Current Premium	New Monthly Premium ⁴
Keep your Current Coverage	\$200	5-Year	\$100	\$206
Reduce your DMB	\$97	5-Year	\$100	\$100
Reduce your LMB	\$200	3-Year	\$100	\$150
Reduce your DMB & LMB	\$165	4-Year	\$100	\$100

IF YOUR EXISTING COVERAGE QUALIFIES AS A PARTNERSHIP ELIGIBLE PLAN, PLEASE NOTE. If you elect to make any changes to your certificate of coverage, such changes could affect whether your coverage continues to be a Partnership certificate. Before you elect to make any changes, you should consult with a representative from our Customer Service Center at 1-800-732-0416. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

If you would like to elect an option to reduce the impact of the premium rate increase, please complete the enclosed Long Term Care Insurance Change Request Form and return it to the address noted on the form **within 30 days of the date of this letter**. This will help to ensure any coverage changes take effect on or prior to the effective date of the premium rate increase. You will be provided with a new Confirmation Statement if you elect to modify your coverage in any way.

Please also note there may be additional options available to you. If you wish to explore other options to reduce the impact of this premium rate increase, please call us at 1-800-732-0416 so we can review with you other options that might be available and the premium associated with those options. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time. Please note that you have a right to

GRP 115128 Page 3 VA 02/2019

receive a revised premium rate or rate schedule upon request.

As an alternative to the options described above, you may exercise a contingent benefit upon lapse right to change your coverage to paid-up status. **The paid up value will be the greater of 100% of the sum of all premiums paid or 30 times the daily nursing home benefit at the time of lapse; in no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status.** If you elect this option, no further premium payments will be due, and your Benefit Waiting/Elimination Period and Daily Maximum Benefit will remain the same, but your Lifetime Maximum Benefit will be reduced. If you wish to consider this option and would like to know the amount of your reduced Lifetime Maximum Benefit, please contact our Customer Service Center at 1-**800-732-0416**, Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time. You can elect this option within 120 days of the implementation of the premium increase by checking the appropriate box on the enclosed *Long Term Care Insurance Change Request Form*. If you do not submit a *Long Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your coverage will automatically be converted to paid-up status with reduced benefits. If you convert to this status, the amount of your reduced benefits will be provided to you in writing.

Please Note: All options may not be of equal value.

It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed beyond the increase(s) described in this letter.

In the event a future increase becomes necessary, you will receive another advance notification of the effective date of any such increase. Options similar to those being offered now will be available and changes in benefits may be done at any time upon your request.

We will continue to monitor the factors that impact premiums to determine if our current assumptions are consistent with actual experience.

Any future increase will not be implemented until the request is reviewed and approved by Virginia's State Corporation Commission.

If you elect to maintain your current benefit levels and pay the increased premium, you do not need to take any action at this time. Simply pay the increased premium when due.

If you would like to elect an option to reduce the impact of the premium rate increase, please complete the enclosed *Long Term Care Insurance Change Request Form* and return it to the address noted on the form **within 30 days of the date of this letter**.

If you do not elect a benefit reduction option or inform us of your intent to terminate coverage within 30 days of the date of this letter, we will assume you wish to maintain your current benefit levels at the increased premium rate.

We would like to remind you that there may be additional options available to you. If you wish to

explore other options to reduce the impact of this premium rate increase, or if you have questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416**. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

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We appreciate having you as a customer and we look forward to continuing to serve you.

Sincerely,

Prudential Long Term Care

¹ The benefit amounts and premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time. Your actual premium may be different due to rounding.

² The Daily Maximum Benefit amounts are subject to any applicable state and/or partnership regulatory minimum benefit requirements. The Daily Maximum Benefit (DMB) is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

³ Lifetime Maximum Benefit (LMB) represents the total pool of money available to reimburse the costs of covered long term care services you receive while insured, and is calculated by multiplying your DMB by the number of years in days.

⁴ Your actual premium may be different due to rounding.



Prudential

The Prudential Insurance Company of America
As Administered by CHCS
P.O. Box 8526
Philadelphia, PA, 19176-8526
Fax: 1-877-773-9515

Certificate Number: 0123456789
Insured: John Doe

8/12/2021

Please complete and return by mail or facsimile number shown above.

LONG TERM CARE INSURANCE CHANGE REQUEST FORM

This form may be used to make changes to your Long Term Care insurance coverage to reduce the impact of your premium increase. Before making any changes, we strongly encourage you to review your certificate of insurance and to call our Long Term Care Customer Service Center at **1-800-732-0416** to discuss the complete range of options available to you, including how your selection of each option will affect (1) the amount of premium you will be required to pay, and (2) your coverage. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

Please indicate your change(s) by checking and completing the options below. Sign and return this form within 30 days of the date above. This will help to ensure any coverage changes take effect on or prior to the effective date of the increase.

NOTE: If you check more than one option, you should call us for the actual premium amounts since those shown in the letter included with this form will change.

- ☐ Decrease my Daily Maximum Benefit for Nursing Home care from \$200 to \$97. I understand all other benefits calculated as a percentage or a factor of this Daily Maximum Benefit for Nursing Home amount will also be reduced accordingly.
- ☐ Decrease my Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits from 5 years to 3 years.
- ☐ Decrease my Daily Maximum Benefit for Nursing Home care from \$200 to \$165 **AND** decrease my Lifetime Maximum Benefit amount by changing the number of years used to calculate such benefits from 5 years to 4 years. I understand all other benefits calculated as a percentage or a factor of this Daily Maximum Benefit for Nursing Home amount will also be reduced accordingly.
- ☐ I wish to exercise the contingent benefit upon lapse option. I understand I can only make this election within the 120 day period following the due date of my increased premium, and I must continue paying premium up until that due date. I further understand by making this election, no further premium payments will be due and my Benefit Waiting/Elimination Period and Daily Maximum Benefits will remain the same, but my Lifetime Maximum



Prudential

The Prudential Insurance Company of America

As Administered by CHCS

P.O. Box 8526

Philadelphia, PA, 19176-8526

Fax: 1-877-773-9515

Benefit will be reduced, and I will not be eligible for any additional inflation protection increases because my coverage will be on paid-up status. I understand if I elect this option, I cannot elect any of the other options shown on this form.

- ☐ I wish to do the following: I understand someone from the Long Term Care Customer Service Center may call me to clarify my wishes or explain if the change requested can be made. Please fill in this section ONLY if you have already contacted the Customer Service Center to explore alternative options and the associated cost.

Please Note: All options may not be of equal value.

IF YOUR EXISTING COVERAGE QUALIFIES AS A PARTNERSHIP ELIGIBLE PLAN, PLEASE NOTE. Whether your coverage qualifies for Partnership depends in part on your age and the type of inflation protection you select and maintain. I understand that a reduction to my inflation protection coverage may affect whether my coverage continues to be a Partnership eligible. I understand that to retain my Partnership qualification status, I need to maintain the level of inflation protection in effect.

Please also note there may be additional options available to you. If you wish to explore other options to reduce the impact of this premium rate increase, please call us at 1-800-732-0416 so we can review with you other options that might be available and the premium associated with those options. We have a dedicated team ready to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time.

I understand the coverage change(s) I have selected above will reduce my current benefits, depending upon the option(s) selected in exchange for a corresponding reduction in the premium that I will be required to pay when the impending premium rate increase takes effect. I acknowledge The Prudential Insurance Company of America (Prudential) has made the Long Term Care Customer Service Center available for me to discuss these option(s). I affirm these selection(s) are made voluntarily and I am under no obligation to make them. I understand that I may consult with accounting, financial planning, tax and other professional advisors before making any change(s) to my coverage. I acknowledge that Prudential encourages me to do so to ensure that any change(s) I make to my coverage best suit my individual financial and insurance needs. I agree any change(s) will become effective on the date set by The Prudential Insurance Company of America upon receipt of this request.

Signature of Insured for Certificate Number:
0123456789

Date Signed:



The Prudential Insurance Company of America
As Administered by CHCS
P.O. Box 8526
Philadelphia, PA, 19176-8526
Fax: 1-877-773-9515

All requested changes to your benefits must be in writing and cannot be processed over the phone.

The Prudential Insurance Company of America

Frequently Asked Questions Relating to Premium Increase

Question: Why are you raising long term care insurance premium rates?

Answer: We monitor in-force contracts like yours to make sure we will be able to meet our future claim obligations. The premiums we charge are influenced by a number of factors, including assumptions we make about the amount of claims we expect to pay, the life expectancy of our insureds, the number of insureds who will lapse their coverage over the life of the policy and prevailing interest rate levels. We used the best available information to establish the original premium rates, but our actual experience has been materially different compared to our original assumptions. Our review of the actual experience has resulted in changes to the assumptions we use to project future experience and the premium necessary to keep pace with that expected future experience. Unfortunately, the experience trends we, as well as the long term care insurance industry generally are seeing necessitates that we raise premium rates.

Question: What allows you to raise premiums on these plans?

Answer: The certificate of insurance we issued to you describes our right to increase the premium we charge for the insurance. Generally, this language can be found in both the “Renewability” and “Increases in Premiums” provisions.

Question: Will you raise premiums on these plans again?

Answer: It is possible, as we continue to regularly review the factors that impact premium rates, that one or more increase(s) may be needed beyond the increase(s) described in this letter. Should another rate increase be necessary, it will not be implemented until the request is reviewed and approved by Virginia's State Corporation Commission.

In the event that a future increase becomes necessary, you will receive another advance notification of the effective date of any such increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

Question: When will this premium increase become effective?

Answer: That date is set forth in the letter to which this Frequently Asked Questions form was attached.

Question: What options do I have to moderate the impact of the premium increase?

Answer: You may keep the coverage you have with all of its current features by paying the increased premium rate. Alternatively, we have included benefit reduction options with this letter to help moderate the impact of the premium increase. If you would like to elect one of these options to reduce or eliminate the impact of the premium increase, please review, complete and return the enclosed Long Term Care Insurance Change Request Form. The Long Term Care Customer Service Center is available to discuss other available options to help reduce your

The Prudential Insurance Company of America

premium. They can be reached at 1-800-732-0416 and are available to assist you Monday through Friday during normal business hours, 8:00 a.m. to 7:00 p.m., Eastern Standard Time

Question: Will the rate increase be effective for everyone in my group at the same time?

Answer: No. Impacted insureds have different premium due dates and were issued coverage in different states. The increase cannot be implemented until The Prudential Insurance Company of America (Prudential), receives necessary state approval or authorization and establishes an implementation date. The increase will be staggered in accordance with when regulatory approvals and authorizations are obtained.

Question: Will everyone's premium be increased by the same amount?

Answer: Not necessarily. Since Prudential must receive necessary state approval or authorization prior to implementing the increase, it is possible not every state will approve or authorize the same percentage increase. It is also possible some states may deny Prudential's request for an increase, or require it be reduced or spread over multiple years.

Question: What will happen to my premium if I am currently on Waiver of Premium?

Answer: If you are currently not paying premiums under the Waiver of Premium provision in your policy, you will not be immediately affected by this rate increase. Should you cease to be eligible under the Waiver of Premium provision, the rate increase will be effective on your next premium due date. However, please note, you will receive a notice of the increase at least 75 days prior to implementation. Additionally, the notice will include available options specific to you, to reduce coverage and help mitigate the impact of the rate increase.



Ritu Jain, ASA, MAAA
Prudential Long Term Care
751 Broad St, 11th Floor
Newark, NJ 07102
Tel: (973) 548-6459
ritu.jain@prudential.com

Date: December 6, 2019

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated November 15, 2019
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on November 15, 2019.

Objection 1

Please complete the Rate Request Summary by attaching the required narrative to the form. The narrative should be fairly high level but at least explain to the consumer, in user-friendly language the assumptions and changes that are driving the need for an increase.

Please refer to the enclosed LTC Rate Summary Narrative.

Objection 2

Please provide the Previous State Filing Number, as requested under the rate Action Information Section of the Rate/Rule Schedule. If this is the first requested rate increase, please provide the State Filing Number associated with the filing under which these forms were first submitted.

Please be advised that this is the first proposed rate increase for this block of business. The original rates and forms associated with this block of business were approved by the Department on January 5, 1998. The original filing was a manual paper filing and the state tracking assigned number is 007-0000007956.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director,
Actuary, ASA, MAAA**

Digitally signed by Ritu Jain,
Director, Actuary, ASA, MAAA
Date: 2019.12.06 21:31:20 -05'00'

Ritu Jain, ASA, MAAA
Director, Actuary
Prudential Long Term Care



Ritu Jain, FSA, MAAA
Prudential Long Term Care
751 Broad St, 11th Floor
Newark, NJ 07102
Tel: (973) 548-6459
ritu.jain@prudential.com

Date: May 6, 2020

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated April 7, 2020
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on April 7, 2020

Objection 1

The Actuarial Memorandum states these policies were issued beginning in 1998. Please state when the last policy forms were issued.

The contracts for GLTC2 policy form were issued in Virginia through September 2003 for pre-rate stability policies.

Objection 2

Given the fact that many of these policies have been in effect for 20 or more years, and with all the publicity in the news about Long Term Care policies, please state why the company waited so long to request a rate increase.

GLTC2 is a smaller block and it took longer to identify the trend due to volatility. Prudential performed a deep dive analysis in 2017/2018 which led to more confidence in our assumptions and reserve strengthening adding to the need for a rate increase.

Objection 3

On pager 5 of the rate pages, please explain the Premium Adjustment Factors related to Marketing Strategy and to Billing/Administrative.

Depending on the group client, the base premium rates were adjusted based on a variety of factors. Rates were varied based on the level of marketing required for a group as well as on the complexity of billing and administrative procedure using premium adjustment factors. These factors are the same as those originally filed during initial pricing.

Objection 4

Please submit a copy of the current rates to Supporting Documentation.

Please see the file "GLTC2 Original Act Memo.pdf" for the current rate sheets. The rates are on pages 10-12 and the adjustment factors are on pages 3-6.



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I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director,
Actuary, ASA, MAAA**

Digitally signed by Ritu Jain,
Director, Actuary, ASA, MAAA
Date: 2020.05.06 22:10:25 -04'00'

Ritu Jain, FSA, MAAA
Director, Actuary
Prudential Long Term Care

Appendix D
The Prudential Insurance Company of America
Group Long Term Care Insurance Plan
Base Rates and Adjustment Factors
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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 50% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 6.18	\$ 10.10	\$ 30.26	\$ 43.30
31	6.60	10.73	31.62	45.14
32	7.06	11.40	33.04	47.05
33	7.54	12.12	34.52	49.05
34	8.06	12.88	36.07	51.13
35	8.61	13.69	37.69	53.30
36	9.20	14.54	39.38	55.56
37	9.83	15.46	41.15	57.91
38	10.51	16.42	43.00	60.37
39	11.23	17.45	44.93	62.93
40	12.00	18.55	46.95	65.60
41	12.88	19.82	49.17	68.55
42	13.83	21.19	51.50	71.65
43	14.84	22.65	53.94	74.88
44	15.93	24.21	56.49	78.25
45	17.10	25.87	59.16	81.78
46	18.36	27.65	61.96	85.47
47	19.70	29.56	64.90	89.33
48	21.15	31.59	67.97	93.35
49	22.70	33.76	71.19	97.56
50	24.37	36.09	74.55	101.96
51	26.44	38.90	78.69	107.26
52	28.69	41.93	83.05	112.82
53	31.12	45.19	87.65	118.68
54	33.77	48.71	92.51	124.84
55	36.64	52.51	97.64	131.32
56	39.75	56.59	103.05	138.13
57	43.12	61.00	108.76	145.30
58	46.79	65.75	114.79	152.85
59	50.76	70.87	121.16	160.78
60	55.07	76.39	127.87	169.12
61	59.77	82.19	135.36	178.03
62	64.86	88.42	143.28	187.41
63	70.39	95.13	151.66	197.28
64	76.39	102.35	160.53	207.66
65	82.90	110.11	169.93	218.60
66	89.97	118.47	179.87	230.11
67	97.64	127.45	190.39	242.23
68	105.96	137.12	201.53	254.99
69	115.00	147.53	213.32	268.42
70	124.80	158.72	225.80	282.56
71	138.46	174.81	244.01	304.12
72	153.61	192.53	263.69	327.34
73	170.43	212.04	284.96	352.33
74	189.09	233.53	307.94	379.22
75	209.78	257.20	332.77	408.17
76	233.18	284.24	362.06	442.18
77	259.19	314.13	393.92	479.03
78	288.10	347.17	428.59	518.95
79	320.24	383.68	466.31	562.19
80	355.96	424.02	507.35	609.04
81	383.62	455.82	538.90	644.89
82	413.42	490.01	572.42	682.86
83	445.54	526.75	608.03	723.06
84	480.15	566.26	645.84	765.63
85	517.45	608.73	686.01	810.70

Virginia Rates
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Virginia Rates Before Adjustments				
Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 60% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 6.74	\$ 11.02	\$ 32.17	\$ 46.35
31	7.20	11.71	33.61	48.31
32	7.69	12.44	35.11	50.36
33	8.21	13.21	36.67	52.49
34	8.76	14.04	38.31	54.72
35	9.35	14.91	40.02	57.04
36	9.99	15.84	41.80	59.45
37	10.66	16.83	43.67	61.97
38	11.38	17.88	45.61	64.60
39	12.15	18.99	47.65	67.33
40	12.97	20.17	49.77	70.19
41	13.92	21.56	52.12	73.36
42	14.93	23.05	54.57	76.67
43	16.02	24.63	57.14	80.14
44	17.18	26.33	59.84	83.76
45	18.43	28.14	62.66	87.54
46	19.78	30.08	65.61	91.50
47	21.22	32.15	68.70	95.63
48	22.76	34.36	71.94	99.96
49	24.42	36.72	75.33	104.47
50	26.20	39.25	78.88	109.19
51	28.40	42.28	83.22	114.87
52	30.79	45.55	87.81	120.84
53	33.38	49.06	92.64	127.12
54	36.18	52.85	97.75	133.73
55	39.22	56.93	103.13	140.68
56	42.52	61.32	108.81	147.99
57	46.09	66.06	114.80	155.69
58	49.97	71.16	121.13	163.78
59	54.17	76.65	127.80	172.29
60	58.72	82.57	134.84	181.25
61	63.64	88.78	142.62	190.69
62	68.97	95.46	150.84	200.61
63	74.75	102.64	159.54	211.06
64	81.02	110.36	168.74	222.05
65	87.80	118.66	178.47	233.61
66	95.16	127.59	188.76	245.77
67	103.13	137.19	199.65	258.57
68	111.77	147.51	211.16	272.03
69	121.13	158.61	223.34	286.20
70	131.28	170.54	236.22	301.10
71	145.53	187.68	255.17	324.00
72	161.34	206.55	275.64	348.64
73	178.86	227.32	297.76	375.16
74	198.28	250.18	321.65	403.69
75	219.81	275.33	347.45	434.40
76	244.27	304.16	378.02	470.56
77	271.44	336.00	411.28	509.74
78	301.64	371.19	447.46	552.17
79	335.20	410.05	486.83	598.14
80	372.49	452.98	529.66	647.94
81	401.38	486.76	562.63	685.95
82	432.51	523.05	597.65	726.18
83	466.06	562.05	634.85	768.77
84	502.21	603.96	674.36	813.85
85	541.16	648.99	716.33	861.58

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Long Term Care Base Plan Gross Monthly Premiums				
Per \$100 of Nursing Home Daily Benefit				
Five Year Benefit / 90 Day Waiting Period				
Home Care Reimbursement Benefit Equal to 100% of Nursing Home Daily Benefit				
Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash	Reimbursement	Cash
30	\$ 8.32	\$ 13.73	\$ 37.39	\$ 55.64
31	8.86	14.58	39.02	58.00
32	9.45	15.48	40.72	60.47
33	10.07	16.44	42.50	63.04
34	10.73	17.46	44.36	65.72
35	11.43	18.54	46.30	68.52
36	12.18	19.69	48.32	71.43
37	12.98	20.92	50.43	74.47
38	13.83	22.21	52.63	77.64
39	14.74	23.59	54.92	80.94
40	15.71	25.05	57.32	84.38
41	16.85	26.79	59.98	88.24
42	18.07	28.66	62.76	92.27
43	19.38	30.65	65.67	96.49
44	20.78	32.78	68.72	100.90
45	22.28	35.06	71.90	105.52
46	23.90	37.49	75.24	110.34
47	25.63	40.10	78.73	115.39
48	27.48	42.89	82.38	120.66
49	29.47	45.87	86.20	126.18
50	31.60	49.06	90.20	131.95
51	34.22	52.88	95.06	138.91
52	37.06	57.01	100.19	146.23
53	40.13	61.45	105.59	153.95
54	43.46	66.24	111.29	162.06
55	47.06	71.41	117.29	170.61
56	50.97	76.98	123.62	179.61
57	55.19	82.98	130.28	189.08
58	59.77	89.45	137.31	199.06
59	64.72	96.43	144.72	209.55
60	70.09	103.94	152.52	220.61
61	75.72	111.57	160.89	231.92
62	81.80	119.76	169.71	243.82
63	88.36	128.56	179.01	256.32
64	95.45	137.99	188.82	269.46
65	103.12	148.12	199.18	283.28
66	111.39	158.99	210.09	297.81
67	120.34	170.66	221.61	313.09
68	130.00	183.19	233.76	329.14
69	140.43	196.64	246.58	346.02
70	151.71	211.07	260.10	363.77
71	167.68	232.02	280.30	391.40
72	185.33	255.05	302.08	421.13
73	204.84	280.37	325.55	453.12
74	226.40	308.20	350.85	487.53
75	250.24	338.79	378.11	524.57
76	277.51	374.42	410.89	568.93
77	307.75	413.79	446.52	617.05
78	341.29	457.31	485.23	669.23
79	378.48	505.40	527.30	725.83
80	419.73	558.55	573.02	787.22
81	451.10	600.39	608.08	834.15
82	484.82	645.36	645.29	883.88
83	521.06	693.70	684.78	936.57
84	560.00	745.67	726.69	992.40
85	601.86	801.53	771.16	1,051.57

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Adjustment Factors - Benefit Period		
Benefit Period (Years)	Home Health Equal to 50% or 60% of Maximum Daily Benefit	Home Health Equal to 100% of Maximum Daily Benefit
3	0.840	0.810
4	0.940	0.920
5	1.000	1.000
10	1.250	1.290

Adjustment Factors - Benefit waiting/ Elimination Period	
Benefit waiting/elimination Period (days)	Premium Adjustment Factor
0	1.210
30	1.135
60	1.065
90	1.000

Adjustment Factors - Spouse Discounts		
Marital Status	Premium Adjustment if Discount Applied to:	
	Both Spouses	Younger Spouse Only
Single	1.11	1.05
Married	0.94	0.89

Adjustment Factors - Premium Payment	
Premium Payment Mode	Adjustment Factor
Annual	11.22
Semi-Annual	5.73
Quarterly	2.93
Monthly	1.00

*If an entire group uses the annual premium payment mode, premiums will be reduced by 1%

Adjustment Factors - Type of Medical Underwriting	
Underwriting	Premium Adjustment Factor*
Full Medical Underwriting for all	0.990
Medical Underwriting for Non-Actively-at-Work	1.000

* Adjustment factors only apply to issue ages less than 66

Adjustment Factors - Employer Size	
Number of Eligible Employees	Premium Adjustment Factor
< 2,500	1.030
2,500 - 9,999	1.000
10,000 +	0.985

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Adjustment Factors - Commission Rate Variations	
Level Commission Rate*	Premium Adjustment Factor
0%	0.935
1%	0.950
2%	0.960
3%	0.970
4%	0.985
5%	1.000
6%	1.015
7%	1.030
8%	1.045
9%	1.060
10%	1.075
11%	1.090
12%	1.105

*Or actuarially equivalent non-level commission schedules

Adjustment Factors - Additional Rider	
Return of Premium	1.31
Shortened Benefit Period	1.10

Adjustment Factors - Death Benefit	
Death Benefit Type	Premium Adjustment Factor*
None	0.97
Standard	1.00

* Adjustment factors only apply to issue ages less than 75

Adjustment Factors - Marketing Strategy	
Marketing Strategy	Premium Adjustment Factor
Minimal	0.97
Standard	1.00
Enhanced	1.03

Adjustment Factors - Percentage Issued to Females	
% Issued to Females	Premium Adjustment
0%	0.71
25%	0.86
50%	1.00
75%	1.13
100%	1.26

Adjustment Factors - Billing/Administrative	
Administration	Premium Adjustment Factor
Direct Bill	1.03
Complex	1.015
Standard	1.00
Automated	0.985

Adjustment Factors - ADL Trigger	
ADL Benefit Trigger	Premium Adjustment Factor
2 of 5*	0.98
2 of 6	1.00

* Continence is excluded

Virginia Rates
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Actuarial Memorandum Supporting Rates for The Prudential Insurance Company of America Group Long Term Care Insurance Plan

I. Purpose of Memorandum

The purpose of this memorandum is to provide actuarial information supporting rates for The Prudential Insurance Company of America Group Long Term Care Plan and to demonstrate the reasonableness of benefits in relationship to premiums. This rate filing is not intended to be used for other purposes.

II. Policy Information

This plan is a Guaranteed Renewable Group Long Term Care policy that will be issued to eligible active employees and retirees of employer groups and eligible members of association groups. In addition, coverage will be offered to spouses, parents, parents-in-law, and grandparents of eligible active employees and members in these groups. Premiums vary by issue age and are calculated to be level for the duration of the contract. Participation within each group will be on a voluntary basis. Coverage to actively-at-work employees of the employer groups will be guaranteed issue. All other eligibles will be fully underwritten.

III. Description of Benefits

- A. **Nursing Home Benefit** - Pays 100% of charges incurred up to 100% of the maximum daily amount elected.
- B. **Home and Community-Based Care Benefit** - Pays 100% of expenses incurred for such care as:
- a registered nurse, licensed practical nurse or licensed vocational nurse
 - a licensed physical, occupational, or speech therapist
 - homemaker and chore services
 - an adult day health care
 - home health aides, and
 - assisted living facility care.

Care must be in accordance with a plan of care. Benefits are limited on a daily basis to a percentage of the maximum daily amount elected. The insured will choose the percentage which will vary from 50% to 100%.

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K. **Death Benefit** - In the event of the death of the insured before age 74, the Plan will pay a benefit equal to a percentage of premiums paid less any benefits paid. The percentage of premiums varies by attained age.

L. **Optional Benefits**

1. **Periodic Inflation Offerings** - At least every three years, the insured will have the opportunity to purchase additional coverage without evidence of insurability. The premium for the additional benefit will be based on the current attained age and the current premium schedule.
2. **Automatic Inflation Option** - Plan benefits will automatically increase 5% compounded annually. Increases will be independent of claims status. The premium for this benefit will be a level issue age premium.

An insured may elect either the compound inflation benefit or the periodic inflation offerings option, but not both.

3. **Shortened Benefit Period** - If a plan participant terminates coverage after three years of continuous premium payments, they will be eligible for shortened benefit period (SBP) coverage. The SBP will be equal to the sum of premiums paid to date divided by the maximum daily amount selected or 30 days if greater. The SBP will then be reduced by any benefits paid.
4. **Return of Premium** - When a participant lapses, a percentage of premiums will be returned, less any benefit payments.

An insured may elect either the return of premium benefit or the SBP, but not both.

5. **Cash Benefit Option** - If elected, this benefit allows the insured to choose to receive benefits for Home and Community-Based Care as a cash benefit rather than as reimbursement for eligible expenses provided and submitted. The insured must meet all other benefit eligibility requirements before receiving benefits.

IV. **Gross Premiums**

Gross premiums for the base plan policies are included in Exhibit 1. The base plans provide a total coverage amount of 1,825 x the maximum daily amount with a waiting period of 90 days. Twelve sets of base plan premiums are included in Exhibit 1. These sets vary by:

- Reimbursement versus cash benefit option (2)

- Periodic inflation versus automatic inflation option (2)
- Home health daily maximum at a percentage of the nursing home: 50%, 60%, and 100% (3).

Premium adjustments to modify the base plan benefits are included below.

- A. **Waiting Period** -- The following factors can be applied to the base plan premiums to derive rates for other waiting periods:

Waiting Period (Days)	Factor
0	1.210
30	1.135
60	1.065
90	1.000

- B. **Benefit Period** -- Adjustment factors to derive rates for benefit period options are shown below.

Benefit Period (Years)	Factor (50% of Maximum Daily Benefit)	Factor (100% of Maximum Daily Benefit)
3	0.840	0.810
4	0.940	0.920
5	1.000	1.000
10	1.250	1.290

- C. **Shortened Benefit Period** -- Premiums will be increased by 10% to reflect the shortened benefit period option.
- D. **Return of Premium on Lapse** -- Premiums will be increased by 31% to add the return of premium on lapse benefit.
- E. **Death Benefit** -- The base plan premiums include the death benefit. When the death benefit is removed, base plan premiums for all issue ages under 75 will be multiplied by 0.97.

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- F. **Percentage Issued to Females** – The following premium adjustments will be applied to base plan premiums to recognize shifts in the distribution of issues by gender:

0%	0.71
25%	0.86
50%	1.00
75%	1.13
100%	1.26

- G. **Home and Community-Based Care Maximum as a Percentage of Nursing Home Daily Maximum** – Base plan premiums have been provided in Exhibit 1 for the 50%, 60% and 100% options. The company will interpolate between these rates for other percentage options.

- H. **Premium Payment Modes** – Base plan premiums have been provided for the monthly premium payment mode. The following factors will be used to adjust premiums for other payment modes.

Annual	11.22
Semi-Annual	5.73
Quarterly	2.93
Monthly	1.00

If an entire group uses the annual premium payment mode, premiums will be reduced by 1%.

- I. **Billing/Administrative** – Rates will vary depending on the complexity of billing and administrative procedures as follows:

Administration	Premium Factor
Direct Bill Only	+3.0%
Complex	+1.5%
Standard	+0.0%
Automated	-1.5%

multiple
payroll feeds

through
electronic
transfer

direct deposit

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J. Type of Medical Underwriting

Full Medical Underwriting For All Applicants	-1%*
Medical Underwriting for Non-Actively-at-Work	+0%
*For issue ages 65 and under.	

K. Employer Size

0 - 2,499	+3.0%
2,500 - 9,999	+0.0%
10,000+	-1.5%

L. Marketing Strategy - Rates will vary depending on the level of marketing required for a particular group.

Minimal	-3%
Standard	0%
Enhanced	+3%

M. Spouse Discounts - In some cases, groups will be offered spouse discounts. In those cases, rates will be adjusted as follows:

Single	1.11
Married	0.94

These premium adjustments assume that the spouse discount is applied to premiums for both spouses.

- N. **Commission Rate Variations** - Premium rates in Exhibit 1 provide for average commissions equal to 5% of premiums. Where commissions vary from the average, premiums will be adjusted as follows:

Commission Rate	Premium Adjustment
0%	-6.5%
1%	-5.0%
2%	-4.0%
3%	-3.0%
4%	-1.5%
5%	+0.0%
6%	+1.5%
7%	+3.0%
8%	+4.5%
9%	+6.0%
10%	+7.5%
11%	+9.0%
12%	+10.5%

V. **Actuarial Assumptions**

- A. **Method of Calculation** - Milliman & Robertson, Inc. health profit study program was used to calculate gross premiums, claims, and expenses. The various assumptions are listed below. Premiums were calculated by dividing the present value of benefits by the expected loss ratio, which equals 1 minus the retention percentage.
- B. **Morbidity Basis** - Morbidity estimates are a percentage of the M&R Internal Guidelines for Long Term Care claim costs. These Guidelines have been developed by several M&R offices and reflect actual experience of various carriers, numerous studies of non-insurance data and judgment.

Sample claim costs can be found in Exhibit 2. Initial claim costs were adjusted by duration to recognize:

- reduced exposure for insureds who are already in the nursing home,

- underwriting and issue criteria (sample selection factors are provided in the table below),

Duration	40	45	50	55
1	0.59	0.47	0.44	0.45
2	0.62	0.60	0.58	0.64
3	0.66	0.73	0.72	0.81
4	0.71	0.84	0.84	0.93
5	0.76	0.92	0.93	0.97
6	0.81	0.97	0.98	0.99
7	0.87	1.01	1.01	1.00
8	0.93	1.02	1.03	1.00
9	0.97	1.03	1.03	1.00
10	1.00	1.03	1.03	1.00

- adverse selection for the periodic inflation offerings (where applicable),
- reduced utilization due to private care management services,
- if actual charges are less than the maximum daily benefit,
- waiver of premium benefits, and
- anticipated selection on non-forfeiture options.

C. Net Investment Earnings Rate – 6.75%

D. Retention Assumption – Commissions, marketing, communication expenses, enrollment expenses, administration expenses, premium tax and profit total 27% of premium. These assumptions vary by issue age but composite to 27%. 3-2 10-17

E. Policy Reserve Basis – Policy reserves are based on the claim costs developed for this plan assuming a one-year preliminary term method with 1983 GAM mortality and 4.5% interest. Lapse rates are included in the reserve calculations using the following formula for total termination rates (TTRs):

TTR = 1983 GAM plus lesser of:

- 1) 8% for durations 1-4
4% for durations 5 and later, or
- 2) 80% of pricing lapse rate;

F. Mortality Rates – 1983 Group Annuitant Mortality Table.

- 9 -

G. Lapse Rates

Age	1	2	3	4	5
1	11.0%	11.0%	11.0%	11.0%	1.00
2	5.0	5.0	5.0	5.0	0.50
3	5.0	5.0	5.0	5.0	0.00
4	5.0	5.0	5.0	5.0	2.00
5	5.0	5.0	5.0	5.0	1.70
6-10	5.0	5.0	5.0	5.0	1.10
11+	3.5	3.6	3.7	4.0	1.10

Lapses are added to mortality rates to derive the total termination rate. We assumed all remaining policies would terminate during attained age 110.

H. Distribution of Business by Issue Age

Issue Age	Percentage
30	8.4%
40	27.3
50	29.4
60	19.0
70	11.8
75	2.5
80	1.5
85	0.1

- I. Distribution of Business by Gender** - Premium rates vary depending on the mix of employees and retirees by gender. Base plan premiums assume employees and retirees will be 50% male and 50% female. Premium adjustments for other gender mixes are provided in Section IV.

J. Distribution of Business by Optional Benefits

Optional Benefit	Percentage
GPO	75%
Compound Inflation	25%
Cash Benefit	20%
Return of Premium	10%
Shortened Benefit Period	15%

VI. Minimum Loss Ratio Requirement: 60%**VII. Anticipated Loss Ratio**

The anticipated loss ratio is equal to or in excess of the minimum loss ratio shown in Section VI. above. The anticipated loss ratio is calculated as the present value of benefits incurred divided by the present value of earned premiums based on our best estimate of the future experience. The anticipated loss ratio is calculated over the period that the premium rates are anticipated to remain adequate, which is until attained age 110 when we expect all policies to have terminated. Exhibit 3 provides loss ratios for the first 30 policy years as well as anticipated lifetime loss ratios.

VIII. Actuarial Certification

I hereby certify that to the best of my knowledge and judgment, the following are true with respect to this filing:

1. The assumptions represent my best judgment as to the expected value for each assumption and are consistent with the insurer's business plan at the time of filing;
2. The anticipated lifetime loss ratio exceeds the applicable required minimum loss ratio;
3. The filed rates maintain the proper relationship between policies which have different rating methodologies (if such exist);
4. The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board;
5. The filing is in compliance with applicable laws and regulations in the state;
6. Benefits are reasonable in relationship to the rates.

Peggy L. Hauser, F.S.A., M.A.A.A.
Consulting Actuary
December 15, 1997

Exhibit 1
(Page 1 of 3)

Prudential Insurance Company
Long Term Care Base Plan Gross Monthly Premiums
Per \$100 of Nursing Home Daily Benefit
Five Year Benefit / 90 Day Waiting Period
Home Care or Cash Benefit Equal to 60% of Nursing Home Daily Benefit

Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash Benefit	Reimbursement	Cash Benefit
30	\$6.74	\$11.02	\$32.17	\$46.35
31	7.20	11.71	33.61	48.31
32	7.69	12.44	35.11	50.36
33	8.21	13.21	36.67	52.49
34	8.76	14.04	38.31	54.72
35	9.35	14.91	40.02	57.04
36	9.99	15.84	41.80	59.45
37	10.66	16.83	43.67	61.97
38	11.38	17.88	45.61	64.60
39	12.15	18.99	47.65	67.33
40	12.97	20.17	49.77	70.19
41	13.92	21.56	52.12	73.36
42	14.93	23.05	54.57	76.67
43	16.02	24.63	57.14	80.14
44	17.18	26.33	59.84	83.76
45	18.43	28.14	62.66	87.54
46	19.78	30.08	65.61	91.50
47	21.22	32.15	68.70	95.63
48	22.76	34.36	71.94	99.96
49	24.42	36.72	75.33	104.47
50	26.20	39.25	78.88	109.19
51	28.40	42.28	83.22	114.87
52	30.79	45.55	87.81	120.84
53	33.38	49.06	92.64	127.12
54	36.18	52.85	97.75	133.73
55	39.22	56.93	103.13	140.68
56	42.52	61.32	108.81	147.99
57	46.09	66.06	114.80	155.69
58	49.97	71.16	121.13	163.78
59	54.17	76.65	127.80	172.29
60	58.72	82.57	134.84	181.25
61	63.64	88.78	142.62	190.69
62	68.97	95.46	150.84	200.61
63	74.75	102.64	159.54	211.06
64	81.02	110.36	168.74	222.05
65	87.80	118.66	178.47	233.61
66	95.16	127.59	188.76	245.77
67	103.13	137.19	199.65	258.57
68	111.77	147.51	211.16	272.03
69	121.13	158.61	223.34	286.20
70	131.28	170.54	236.22	301.10
71	145.53	187.68	255.17	324.00
72	161.34	206.55	275.64	348.64
73	178.86	227.32	297.76	375.16
74	198.28	250.18	321.65	403.69
75	219.81	275.33	347.45	434.40
76	244.27	304.16	378.02	470.56
77	271.44	336.00	411.28	509.74
78	301.64	371.19	447.46	552.17
79	335.20	410.05	486.83	598.14
80	372.49	452.98	529.66	647.94
81	401.38	486.76	562.63	685.95
82	432.51	523.05	597.65	726.18
83	466.06	562.05	634.85	768.77
84	502.21	603.96	674.36	813.85
85	541.16	648.99	716.33	861.58

Prudential Insurance Company
Long Term Care Base Plan Gross Monthly Premiums
Per \$100 of Nursing Home Daily Benefit
Five Year Benefit / 90 Day Waiting Period
Home Care or Cash Benefit Equal to 50% of Nursing Home Daily Benefit

Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash Benefit	Reimbursement	Cash Benefit
30	\$6.18	\$10.10	\$30.26	\$43.30
31	6.60	10.73	31.62	45.14
32	7.06	11.40	33.04	47.05
33	7.54	12.12	34.52	49.05
34	8.06	12.88	36.07	51.13
35	8.61	13.69	37.69	53.30
36	9.20	14.54	39.38	55.56
37	9.83	15.46	41.15	57.91
38	10.51	16.42	43.00	60.37
39	11.23	17.45	44.93	62.93
40	12.00	18.55	46.95	65.60
41	12.88	19.82	49.17	68.55
42	13.83	21.19	51.50	71.65
43	14.84	22.65	53.94	74.88
44	15.93	24.21	56.49	78.25
45	17.10	25.87	59.16	81.78
46	18.36	27.65	61.96	85.47
47	19.70	29.56	64.90	89.33
48	21.15	31.59	67.97	93.35
49	22.70	33.76	71.19	97.56
50	24.37	36.09	74.55	101.96
51	26.44	38.90	78.69	107.26
52	28.69	41.93	83.05	112.82
53	31.12	45.19	87.65	118.68
54	33.77	48.71	92.51	124.84
55	36.64	52.51	97.64	131.32
56	39.75	56.59	103.05	138.13
57	43.12	61.00	108.76	145.30
58	46.79	65.75	114.79	152.85
59	50.76	70.87	121.16	160.78
60	55.07	76.39	127.87	169.12
61	59.77	82.19	135.36	178.03
62	64.86	88.42	143.28	187.41
63	70.39	95.13	151.66	197.28
64	76.39	102.35	160.53	207.66
65	82.90	110.11	169.93	218.60
66	89.97	118.47	179.87	230.11
67	97.64	127.45	190.39	242.23
68	105.96	137.12	201.53	254.99
69	115.00	147.53	213.32	268.42
70	124.80	158.72	225.80	282.56
71	138.46	174.81	244.01	304.12
72	153.61	192.53	263.69	327.34
73	170.43	212.04	284.96	352.33
74	189.09	233.53	307.94	379.22
75	209.78	257.20	332.77	408.17
76	233.18	284.24	362.06	442.18
77	259.19	314.13	393.92	479.03
78	288.10	347.17	428.59	518.95
79	320.24	383.68	466.31	562.19
80	355.96	424.02	507.35	609.04
81	383.62	455.82	538.90	644.89
82	413.42	490.01	572.42	682.86
83	445.54	526.75	608.03	723.06
84	480.15	566.26	645.84	765.63
85	517.45	608.73	686.01	810.70

Prudential Insurance Company
Long Term Care Base Plan Gross Monthly Premiums
Per \$100 of Nursing Home Daily Benefit
Five Year Benefit / 90 Day Waiting Period
Home Care or Cash Benefit Equal to 100% of Nursing Home Daily Benefit

Issue Age	Without Inflation		With Inflation	
	Reimbursement	Cash Benefit	Reimbursement	Cash Benefit
30	\$8.32	\$13.73	\$37.39	\$55.64
31	8.86	14.58	39.02	58.00
32	9.45	15.48	40.72	60.47
33	10.07	16.44	42.50	63.04
34	10.73	17.46	44.36	65.72
35	11.43	18.54	46.30	68.52
36	12.18	19.69	48.32	71.43
37	12.98	20.92	50.43	74.47
38	13.83	22.21	52.63	77.64
39	14.74	23.59	54.92	80.94
40	15.71	25.05	57.32	84.38
41	16.85	26.79	59.98	88.24
42	18.07	28.66	62.76	92.27
43	19.38	30.65	65.67	96.49
44	20.78	32.78	68.72	100.90
45	22.28	35.06	71.90	105.52
46	23.90	37.49	75.24	110.34
47	25.63	40.10	78.73	115.39
48	27.48	42.89	82.38	120.66
49	29.47	45.87	86.20	126.18
50	31.60	49.06	90.20	131.95
51	34.22	52.88	95.06	138.91
52	37.06	57.01	100.19	146.23
53	40.13	61.45	105.59	153.95
54	43.46	66.24	111.29	162.06
55	47.06	71.41	117.29	170.61
56	50.97	76.98	123.62	179.61
57	55.19	82.98	130.28	189.08
58	59.77	89.45	137.31	199.06
59	64.72	96.43	144.72	209.55
60	70.09	103.94	152.52	220.61
61	75.72	111.57	160.89	231.92
62	81.80	119.76	169.71	243.82
63	88.36	128.56	179.01	256.32
64	95.45	137.99	188.82	269.46
65	103.12	148.12	199.18	283.28
66	111.39	158.99	210.09	297.81
67	120.34	170.66	221.61	313.09
68	130.00	183.19	233.76	329.14
69	140.43	196.64	246.58	346.02
70	151.71	211.07	260.10	363.77
71	167.68	232.02	280.30	391.40
72	185.33	255.05	302.08	421.13
73	204.84	280.37	325.55	453.12
74	226.40	308.20	350.85	487.53
75	250.24	338.79	378.11	524.57
76	277.51	374.42	410.89	568.93
77	307.75	413.79	446.52	617.05
78	341.29	457.31	485.23	669.23
79	378.48	505.40	527.30	725.83
80	419.73	558.55	573.02	787.22
81	451.10	600.39	608.08	834.15
82	484.82	645.36	645.29	883.88
83	521.06	693.70	684.78	936.57
84	560.00	745.67	726.69	992.40
85	601.86	801.53	771.16	1,051.57

Exhibit 2

Prudential Insurance Company

Long Term Care Claim Costs Per \$1 of Nursing Home Daily Benefit
 Home Health or Cash Benefit Equal to 60% of Nursing Home Daily Benefit
 Five Year Benefit Period / 90 day Waiting Period

Without Inflation				
	Male	Female	Male	Female
Home Health Benefit				
30	0.265	0.329	0.318	0.398
40	0.414	0.726	0.490	0.880
50	0.951	1.151	1.113	1.386
60	1.972	2.358	2.292	2.774
70	4.914	7.185	5.555	8.245
80	14.706	26.412	16.286	29.942
90	36.038	62.737	39.505	70.343
100	52.887	73.033	57.497	81.279
110	45.663	79.586	49.592	88.606
Cash Benefit				
30	0.589	0.530	0.692	0.622
40	0.796	1.187	0.928	1.395
50	1.671	1.836	1.939	2.152
60	3.675	3.583	4.229	4.147
70	8.301	9.475	9.341	10.802
80	20.269	31.658	22.451	35.800
90	44.269	70.224	48.476	78.502
100	60.588	79.672	65.849	88.439
110	53.329	85.551	57.885	95.012

12/12/97

Exhibit 3
The Prudential Insurance Company of America
Group Long Term Care Base Plan
Composite Loss Ratio Results

<u>Duration</u>	<u>Incurred Claims</u>	<u>Increase in Claim Reserve</u>	<u>Paid Claims</u>	<u>Increase in Terminal Reserve</u>	<u>Earned Premium</u>	<u>Incurred Claims / Earned Premium</u>	<u>Paid Loss Ratio*</u>
1	\$111.99	\$86.36	\$25.64	\$0.00	\$723.23	15.5%	3.5%
2	144.13	81.13	63.00	675.98	660.50	21.8%	9.5%
3	176.84	76.57	100.27	608.39	614.56	28.8%	16.3%
4	203.41	66.55	136.86	546.89	570.87	35.6%	24.0%
5	219.13	48.90	170.23	474.84	529.39	41.4%	32.2%
6	233.24	36.13	197.11	449.85	490.05	47.6%	40.2%
7	246.71	29.60	217.10	405.58	452.80	54.5%	47.9%
8	258.12	24.53	233.59	364.17	417.57	61.8%	55.9%
9	264.03	17.88	246.15	329.12	384.33	68.7%	64.0%
10	269.25	13.67	255.58	295.64	353.03	76.3%	72.4%
11	275.40	12.11	263.29	274.05	325.36	84.6%	80.9%
12	281.89	11.90	269.99	246.86	301.34	93.5%	89.6%
13	286.89	11.25	275.64	221.10	278.57	103.0%	98.9%
14	289.96	9.76	280.20	197.30	257.07	112.8%	109.0%
15	293.03	9.07	283.97	173.50	236.80	123.7%	119.9%
16	298.90	9.48	289.42	149.01	217.75	137.3%	132.9%
17	305.42	10.46	294.96	124.05	199.91	152.8%	147.6%
18	312.01	11.38	300.63	99.17	183.22	170.3%	164.1%
19	310.56	5.84	304.72	82.67	167.67	185.2%	181.7%
20	310.16	3.02	307.14	65.60	153.19	202.5%	200.5%
21	310.38	1.88	308.50	48.25	139.73	222.1%	220.8%
22	311.06	1.92	309.14	30.64	127.27	244.4%	242.9%
23	312.36	3.02	309.34	12.51	115.75	269.8%	267.2%
24	312.40	3.13	309.27	(4.33)	105.14	297.1%	294.1%
25	313.54	4.22	309.33	(22.33)	95.38	328.7%	324.3%
26	317.59	5.75	311.84	(41.27)	86.42	367.5%	360.9%
27	322.69	7.60	315.09	(61.26)	78.19	412.7%	403.0%
28	328.73	9.59	319.13	(82.23)	70.67	465.2%	451.6%
29	325.91	3.98	321.94	(94.17)	63.78	511.0%	504.7%
30	324.67	1.36	323.31	(107.34)	57.49	564.8%	562.4%
PV @ 6.75%	\$3,757.44	\$413.67	\$3,343.77	\$3,360.54	\$5,138.55	73.1%	65.1%
PV @ 5.00%	\$4,978.70	\$421.14	\$4,557.55	\$3,406.52	\$5,770.96	86.3%	79.0%

* Paid Loss Ratio = Paid Claims / Earned Premium



Ritu Jain, FSA, MAAA
Prudential Long Term Care
751 Broad St, 11th Floor
Newark, NJ 07102
Tel: (973) 548-6459
ritu.jain@prudential.com

Date: June 15, 2020

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated May 15, 2020
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on May 15, 2020.

Objection 1

Based on 14VAC5-200-150 B, benefits will be deemed reasonable for pre-stability policies only when the expected loss ratio is the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus 75% applied to any premium rate increase for group policy forms. Please verify that the loss ratio calculations are in compliance with the regulations.

We have reviewed and are compliant with the pre-rate stability regulation 14VAC5-200-150 B. Please see below for the calculation using the original pricing lifetime loss ratio of 91% using a 4.5% discount rate.

Rate Stability Requirement:

1) Total Incurred Claims	\$284,023,073
91% of initial premium	\$232,568,062
75% of increased premium	\$42,632,965
2) Sum of 91%/75% premium	\$264,762,073
Is 1 greater than 2?	Yes

Objection 2

In accordance with Virginia Code Section 38.2-1371, all present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, shall use the maximum interest rate for contract reserves. Please verify that all accumulated values were determined in compliance with the Code. If not, make the necessary revisions to assure compliance.

All present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, use the maximum valuation interest rate for contract reserves. An annual interest rate of 4.5% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years for which the maximum statutory valuation rate was 4.5%.

Objection 3

Please advise if the actuarial assumptions associated with the rate increase request are consistent with the assumptions embedded in the most recent asset adequacy testing. If not, either make the appropriate revisions or explain any discrepancies.

Mortality, morbidity and lapse assumptions used in this filing are 2018 best estimates and are consistent with assumptions used in asset adequacy analysis (AAT) at the time of the filing; however, additional margin is included in AAT.

Objection 4

Please provide a copy of all projections in Excel with working formulas.

Please see the attached file “VA Pre-RS GLTC2 Projections - with Formulas.xlsx” for the projections with formulas.

Objection 5

Please provide a step-by-step quantification of the impact of the change in each assumption from the original assumptions to the current assumptions.

The walk from original lifetime loss ratio to current lifetime loss ratio is as follows:

- The original lifetime loss ratio using a 5% discount rate was 81%.
- Updating the mortality and lapse assumptions increases the loss ratio to 163%.
- Incorporating the updated morbidity assumptions changes the loss ratio to 124%.
- Updating the premiums to reflect the current levels, the loss ratio is 118%.
- Using the current discount rate in addition to the above changes, the loss ratio is 130%.

These projections were created using the GLTC2 original issue business only and excludes any takeover business or experience from policies once they upgrade. Hence the starting loss ratio is lower than the original.

Objection 6

Please advise in which states the company has requested rate increases on this block and describe how the rate changes requested in Virginia compare with those in other states, along with a listing of the status of the rate reviews in those other states.

Prudential seeks to achieve nationwide rate parity and is asking for equivalent rate increases across all states. This is the first rate increase request for GLTC2. Please see the attached file “GLTC2 Rate Increase History.pdf” for the status of current rate increase filings in all states.

Objection 7

Please state the lifetime loss ratio anticipated in the original filing.

The lifetime loss ratio based on the original distribution of business expected with original pricing assumptions, using the original 5.0% discount rate, was 86.3%.



Ritu Jain, FSA, MAAA
Prudential Long Term Care
751 Broad St, 11th Floor
Newark, NJ 07102
Tel: (973) 548-6459
ritu.jain@prudential.com

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director,
Actuary, ASA, MAAA**

Digitally signed by Ritu Jain,
Director, Actuary, ASA, MAAA
Date: 2020.06.15 18:09:31 -04'00'

Ritu Jain, FSA, MAAA
Director, Actuary
Prudential Long Term Care

Appendix G
The Prudential Insurance Company of America
Rate Increase History by State
GLTC2

State	Premium as of 6/30/2018	First Increase					Second Increase					Cumulative Approval
		Filing Date	Status	Approval Date	Requested Rate Increase	Approved Rate Increase	Filing Date	Status	Approval Date	Requested Rate Increase	Approved Rate Increase	
Alabama	\$ -											
Alaska	\$ 10,809	12/6/2018	Approved	3/7/2019	106.0%	106.0%						106.0%
Arizona	\$ 23,733	12/7/2018	Approved	12/10/2018	106.0%	106.0%						106.0%
Arkansas	\$ 8,710	5/2/2019	Approved	7/3/2019	106.0%	25.0%	4/16/2020	Disapproved		25.0%		25.0%
California - Pre-RS	\$ 444,527	12/16/2019	Pending		106.0%							
California - Post-RS	\$ 759,229	12/16/2019	Pending		106.0%							
Colorado	\$ 2,283						1/31/2020	Pending		60.0%		
Connecticut	\$ 66,553	5/27/2019	Approved	10/11/2019	106.0%	18.0%	3/12/2020	Pending		25.0%		18.0%
District of Columbia	\$ 58,276	5/29/2019	Withdrawn		106.0%							
Delaware	\$ 61,124	1/23/2019	Approved	10/4/2019	106.0%	25.0%						25.0%
Florida	\$ 266,028	6/18/2019	Approved	4/29/2020	106.0%	90.8%						90.8%
Georgia	\$ 10,144	3/12/2019	Approved	6/26/2019	106.0%	12.0%	3/18/2020	Pending		25.0%		12.0%
Hawaii	\$ -											
Idaho	\$ 3,342	1/28/2019	Pending		106.0%							
Illinois	\$ 21,038	1/23/2019	Pending		106.0%							
Indiana	\$ 41,050	5/21/2019	Approved	2/27/2020	106.0%	10.0%						10.0%
Iowa	\$ -											
Kansas	\$ 149,477	4/22/2019	Approved	6/17/2019	106.0%	59.0%						59.0%
Kentucky	\$ -											
Louisiana	\$ 23,060	1/23/2019	Disapproved		106.0%							
Maine	\$ -											
Maryland	\$ 1,881,403	1/25/2019	Approved	3/25/2020	106.0%	42.4%						42.4%
Massachusetts	\$ 85,158	11/30/2018	Approved	1/31/2019	106.0%	106.0%						106.0%
Michigan	\$ 124,528	12/14/2018	Approved	1/2/2019	106.0%	106.0%						106.0%
Minnesota	\$ 619,569	1/23/2019	Approved	8/29/2019	106.0%	74.9%						74.9%
Mississippi	\$ 19,124	4/15/2019	Approved	10/22/2019	106.0%	25.0%	3/26/2020	Pending		25.0%		25.0%
Missouri - Pre-RS	\$ 30,565	1/30/2019	Approved	3/10/2020	106.0%	50.0%						50.0%
Missouri - Post-RS	\$ 825	3/15/2019	Approved	7/31/2019	106.0%	50.0%						50.0%
Montana	\$ 1,785	4/12/2019	Withdrawn		106.0%		4/30/2020	Approved	5/15/2020	25.0%	25.0%	25.0%
Nebraska	\$ 12,328	6/25/2019	Approved	11/26/2019	106.0%	87.5%						87.5%
Nevada	\$ -											
New Hampshire	\$ 28,499	5/31/2019	Approved	9/10/2019	106.0%	43.1%						43.1%
New Jersey	\$ 916,160	1/17/2019	Approved	3/31/2019	106.0%	105.8%						105.8%
New Mexico	\$ 43,770	4/5/2019	Approved	5/6/2019	106.0%	15.0%	4/24/2020	Approved	5/21/2020	25.0%	15.0%	32.3%
New York	\$ 1,192,570	10/28/2019	Disapproved		106.0%							
North Carolina	\$ 101,393	4/29/2019	Pending		106.0%							
North Dakota	\$ -											
Ohio	\$ 200,595	1/17/2019	Approved	9/30/2019	106.0%	15.0%						15.0%
Oklahoma	\$ 30,490	2/27/2019	Approved	4/8/2019	106.0%	32.3%						32.3%
Oregon	\$ 50,474	1/31/2019	Pending		106.0%							
Pennsylvania	\$ -											
Rhode Island	\$ -											
South Carolina	\$ 29,760	12/14/2018	Approved	3/12/2020	106.0%	44.0%						44.0%
South Dakota	\$ 336	5/21/2019	Approved	9/10/2019	106.0%	106.0%						106.0%
Tennessee	\$ 24,036	1/25/2019	Approved	5/31/2019	106.0%	71.0%						71.0%
Texas	\$ 149,642	6/10/2019	Pending		106.0%							
Utah	\$ 1,152	1/24/2019	Withdrawn		106.0%							
Vermont	\$ 3,996	4/9/2019	Pending		106.0%							
Virginia - Pre-RS	\$ 253,564	7/1/2019	Pending		106.0%							
Virginia - Post-RS	\$ 103,532	7/1/2019	Pending		106.0%							
Washington	\$ 57,127	1/28/2019	Approved	4/20/2020	106.0%	27.2%						27.2%
West Virginia	\$ -											
Wyoming	\$ -											
Wisconsin	\$ 34,635	4/10/2019	Approved	8/29/2019	106.0%	106.0%						106.0%
Total:	\$ 7,946,396											

* The approved rates might be filed, acknowledged, or approved.



Ritu Jain, FSA, MAAA
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Date: June 18, 2020

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated May 19, 2020
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on May 19, 2020.

Objection 1

Please provide sufficient detail or documentation so that any projections can be recreated. Please provide a copy of all projections in Excel with working formulas. Re-state the nationwide experience using Virginia approved rates.

Please refer to the files “VA Pre-RS GLTC2 Projections - with Formulas.xlsx” for the projections with working formulas and “Model Formulas.pdf” for a general overview of our model framework.

Additional details about the morbidity, mortality, and lapse assumptions can be found in the file “2018 GLTC Morbidity&persistency Assumptions.xlsx” and Actuarial Memo. The nationwide experience is on a Virginia approved rate basis.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

**Ritu Jain, Director,
Actuary, ASA, MAAA**

Digitally signed by Ritu Jain,
Director, Actuary, ASA, MAAA
Date: 2020.06.18 14:42:19 -04'00'

Ritu Jain, FSA, MAAA
Director, Actuary
Prudential Long Term Care

General Model Framework

The formulas listed below describe the calculations used in the model to determine the lifetime loss ratio. The model makes further, more complex calculations in order to consider the timing related to different modal options. The assumptions and other methodologies are further described in the Actuarial Memorandum filed with the state.

Projected Lives Calculations

$$lx(t) = lx(t-1) * (1-qxd(t)) * (1-qxw(t))$$

where,

$lx(t)$ is the number of lives at time t

x is the issue age of the policy

$qxd(t)$ is the mortality rate for time t

$qxw(t)$ is the voluntary lapse rate for time t

Note: Policies that exhaust benefits are also decremented from the population.

Projected Premium Calculation

$$PP(t) = lx(t-1) * \text{modal_premium} * \text{modal_indicator}$$

$$EP(t) = PP(t) + [UePR(t) - UePR(t-1)]$$

where,

$PP(t)$ is the paid premium in month t .

modal_indicator is the flag used to indicate if a premium is paid during the month, based on the bill mode of the policy.

$EP(t)$ is the earned premium in month t .

$UePR(t)$ is the unearned premium reserve at time t .

Note: Waived premium is included in the premium calculation

Projected Incurred Claim Calculation

$$IC(t) = lx(t-1) * CC(t) * SF(t) * \text{utilization}(t) * \text{exp_adj}(t) * j_prime(t) * DB(t) * \text{waiver_load}$$

where,

$IC(t)$ is the incurred claims in month t

$CC(t)$ is the claim cost per \$1 daily benefit at time t (based on the policy benefits and demographics such as product, benefit period, elimination period, type of coverage and various riders).

$SF(t)$ is the selection factor for month t .

$\text{utilization}(t)$ is the utilization factor for month t (reflects that the full daily benefits are not paid out and that services are not utilized each day that insured is benefit eligible).

$\text{Exp_adj}(t)$ is a factor representing experience adjustments for time t .

$j_prime(t)$ is the factor to convert all lives ($lx(t-1)$) to active, healthy lives. The claim cost assumptions should only be applied to those people not already on claim.

$DB(t)$ is the current daily benefit at time t (i.e. daily benefit increased for any inflation benefit option).

Waiver_Load is the load to include waiver of premium costs in incurred claims.

General Model Framework

Lifetime Loss Ratio

$$LR = (Accum_IC + PV_IC) / (Accum_EP + PV_EP),$$

where,

LR is the lifetime loss ratio as of 06/30/2019.

Accum_IC is the historical incurred claims accumulated with interest to 06/30/2019.

PV_IC is the future incurred claims discounted with interest to 06/30/2019.

Accum_EP is the historical earned premium accumulated with interest to 06/30/2019.

PV_EP is the future earned premium discounted with interest to 06/30/2019.

For the purposes of accumulating and discounting, a middle of the year timing is assumed.



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Date: November 5, 2020

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated October 15, 2020
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on October 15, 2020.

Objection 1

1. For all projections requested in the next question, the baseline should comply with the following:

a. Any limited-pay policies that are now in paid-up status should be removed, both from historical experience and future projections.

b. For this post-stability block, the Company may choose to use margins for moderately adverse conditions.

c. Nationwide premiums should be calculated as if all policies were issued in Virginia for both historical and projected future premiums.

d. All discounting should be at the average valuation rate.

Understood. Please note that there are no limited pay policies for this block of business. We have not applied margins in the projections. However, the lifetime loss ratio with margin applied is provided in Appendix A of the initial filing. The premiums shown in the projections are on Virginia rate basis. The discount rate was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.5%.

2. To assist the Bureau in its review, please provide (in Excel format) the following projections on a nationwide basis:

a. current assumptions and current rates

b. current assumptions with the proposed rate increase

c. current assumptions with the proposed rate increase, but with no shock lapses, benefit reductions, CBUL, or adverse selection (if applicable)

d. current assumptions with premiums restated as if the proposed rate schedule had been in effect from inception

e. original assumptions and original premiums from inception

Projections a-e can be separate tabs or combined into separate columns on the same exhibit.



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Please see the attached file, "VA GLTC2 Pre-RS Projections," for projections a through e.

Objection 2

Please provide the active life reserve as of the projection date. Note that since the Company has strengthened reserves, the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual reserves being held.

The nationwide active life reserves for the GLTC2 block of business is \$167.15 million as of 12/31/2018. The data is as of 12/31/2018 to account for the statutory valuation rule changes that went into effect in 2018.

Objection 3

Please provide a discussion of the credibility of the company's own experience data, including the total number of claims in the Company's historical experience.

Prudential pools the Group product experience on a nationwide basis and uses it to generate assumptions in aggregate for mortality, morbidity and lapse. The product experience is used to generate assumptions in aggregate for all GLTC products. Furthermore, for morbidity assumptions, a multiplicative fitting factor varying by product is also applied to account for the differences due to product. Prudential considers 1,537 claims to be fully credible based on the Longley standard and evaluated at a 95% confidence level with a 5% margin. This is consistent with Prudential corporate assumption credibility standards.

As Prudential has 6,230 claims across all GLTC products, we consider our aggregate GLTC block to be fully credible.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

Arun Paul ASA, MAAA
Associate Actuary
Prudential Long Term Care



Meong Kwak
Associate Actuary
Prudential Long Term Care
2101 Welsh Rd.
Dresher, PA 19125
Tel: (215)784-2959
meong.kwak@prudential.com

Date: January 29, 2021

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated November 30, 2020
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on November 30, 2020.

Objection 1

Projection 2e is not as requested. This should be a projection of what would have happened if all original assumptions had played out exactly as assumed for the cohort of policies actually issued. Therefore, even the historical period (2003 – 2018) should not be based on actual experience but on original assumed morbidity, mortality and lapse.

Please see attached file “VA GLTC2 Pre-RS 2020-11-30 Objection Attachments.xlsx” for the updated projection. Note that the original assumed interest rate was corrected to 5.0%.

Objection 2

The Bureau interprets the statutes to require the future loss ratio, calculated as (PV Future Claims minus Active Life Reserve) divided by PV Future Premiums, to be greater than the minimum loss ratio. The ALR that was provided by the Company (\$167M) could result in no increase being approved. There may have been a mismatch in providing the reserve for all policies in the GLTC2 block. Please provide the active life reserve as of the projection date for only those policies that are included in the projection; i.e., issued prior to 10/1/2003. Note that using a strengthened reserve basis will result in a lower allowable increase, therefore the Bureau will accept a pro-forma reserve using original pricing assumptions rather than the actual strengthened reserves being held.

The nationwide pro-forma active life reserves for the GLTC2 block of business issued prior to 10/1/2003 is \$58.25 million as of 12/31/2018.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,
Meong Kwak
Associate Actuary
Prudential Long Term Care

Nationwide Experience	
Orig Pricing LR used	58%
RI LR used	85%
Delta PV Future Inc Claims	183,414,776
Cumulative RI to date	0.0%
Delta PV Future Earned Prems	35,906,653
PV Future Earned Prems (Current Filing Excl Proposed RI)	91,813,889
% RI Calc w Texas Reprice Method	208.34%
% RI requested	106.00%

Future Cash flows: Current Filing w approved Rate Increase				Future Cash flows: Original Pricing			
Calendar Year	Future Earned Premiums	Future Incurred Claims	Disc Factor	Future Earned Premiums	Future Incurred Claims	Disc Factor	
2018	3,982,445	2,859,697	0.98906	3,859,794	4,131,593	0.98906	
2019	7,830,149	6,193,935	0.95694	7,153,384	8,003,921	0.95694	
2020	7,646,754	6,837,622	0.91573	6,553,984	8,041,946	0.91573	
2021	7,458,473	7,488,490	0.87630	5,995,872	8,071,988	0.87630	
2022	7,264,829	8,191,093	0.83856	5,477,408	8,103,937	0.83856	
2023	7,065,618	9,035,059	0.80245	4,996,854	8,136,090	0.80245	
2024	6,860,899	9,981,335	0.76790	4,552,248	8,164,338	0.76790	
2025	6,650,903	11,025,819	0.73483	4,141,620	8,195,199	0.73483	
2026	6,435,374	12,153,132	0.70319	3,762,992	8,253,258	0.70319	
2027	6,212,430	13,373,255	0.67290	3,414,417	8,340,526	0.67290	
2028	5,980,431	14,671,533	0.64393	3,094,097	8,434,624	0.64393	
2029	5,739,059	16,028,171	0.61620	2,800,202	8,484,584	0.61620	
2030	5,488,468	17,438,854	0.58966	2,530,810	8,486,268	0.58966	
2031	5,229,614	18,852,449	0.56427	2,284,068	8,488,728	0.56427	
2032	4,965,080	20,245,255	0.53997	2,058,206	8,500,175	0.53997	
2033	4,697,431	21,589,604	0.51672	1,851,681	8,512,635	0.51672	
2034	4,428,015	22,890,848	0.49447	1,662,985	8,506,924	0.49447	
2035	4,158,373	24,126,128	0.47318	1,490,662	8,484,143	0.47318	
2036	3,890,297	25,218,035	0.45280	1,333,509	8,473,871	0.45280	
2037	3,625,376	26,156,820	0.43330	1,190,354	8,475,021	0.43330	
2038	3,364,748	26,934,124	0.41464	1,060,063	8,462,646	0.41464	
2039	3,108,996	27,564,217	0.39679	941,670	8,373,984	0.39679	
2040	2,858,650	28,005,821	0.37970	834,189	8,205,947	0.37970	
2041	2,615,743	28,191,726	0.36335	736,827	8,025,380	0.36335	
2042	2,381,501	28,157,006	0.34770	648,874	7,845,360	0.34770	
2043	2,156,893	27,932,849	0.33273	569,522	7,657,784	0.33273	
2044	1,943,201	27,559,464	0.31840	498,117	7,434,342	0.31840	
2045	1,741,612	26,993,351	0.30469	434,120	7,174,567	0.30469	
2046	1,553,246	26,213,437	0.29157	376,945	6,916,563	0.29157	
2047	1,378,298	25,271,337	0.27902	325,963	6,663,116	0.27902	
2048	1,216,673	24,218,121	0.26700	280,682	6,399,069	0.26700	
2049	1,068,440	23,117,642	0.25550	240,660	6,074,974	0.25550	
2050	933,600	21,944,897	0.24450	205,414	5,689,374	0.24450	
2051	812,075	20,733,313	0.23397	174,564	5,300,647	0.23397	
2052	703,349	19,633,821	0.22390	147,653	4,922,241	0.22390	
2053	606,608	18,561,415	0.21425	124,219	4,551,904	0.21425	
2054	520,925	17,516,149	0.20503	103,990	4,173,671	0.20503	
2055	445,447	16,503,717	0.19620	86,569	3,789,535	0.19620	
2056	379,322	15,530,899	0.18775	71,599	3,426,578	0.18775	
2057	321,688	14,589,809	0.17967	58,883	3,088,992	0.17967	
2058	271,657	13,638,768	0.17193	48,135	2,773,957	0.17193	
2059	228,405	12,721,118	0.16453	39,110	2,465,878	0.16453	
2060	191,201	11,831,422	0.15744	31,583	2,161,936	0.15744	
2061	159,364	10,952,723	0.15066	25,292	1,879,249	0.15066	
2062	132,256	10,085,575	0.14417	20,091	1,621,399	0.14417	
2063	109,275	9,238,390	0.13796	15,821	1,387,681	0.13796	
2064	89,881	8,438,289	0.13202	12,330	1,173,224	0.13202	
2065	73,587	7,665,305	0.12634	9,581	977,312	0.12634	
2066	59,963	6,940,755	0.12090	7,395	805,230	0.12090	
2067	48,628	6,244,082	0.11569	5,660	656,332	0.11569	
2068	39,231	5,580,370	0.11071	4,276	529,287	0.11071	
2069	31,480	4,955,175	0.10594	3,186	422,061	0.10594	
2070	25,126	4,377,974	0.10138	2,405	331,716	0.10138	
2071	19,944	3,857,954	0.09701	1,781	256,144	0.09701	
2072	15,739	3,373,206	0.09284	1,259	193,865	0.09284	
2073	12,343	2,925,851	0.08884	884	143,785	0.08884	
2074	9,613	2,504,429	0.08501	586	104,349	0.08501	
2075	7,434	2,115,344	0.08135	350	74,012	0.08135	
2076	5,705	1,769,080	0.07785	225	51,402	0.07785	
2077	4,344	1,462,887	0.07450	150	35,037	0.07450	
2078	3,278	1,196,771	0.07129	96	23,506	0.07129	
2079	2,452	966,887	0.06822	61	15,555	0.06822	
2080	1,816	769,712	0.06528	38	10,177	0.06528	
2081	1,329	603,758	0.06247	24	6,591	0.06247	
2082	960	465,363	0.05978	14	4,191	0.05978	
2083	684	352,044	0.05721	8	2,589	0.05721	
2084	479	261,255	0.05474	4	1,541	0.05474	
2085	331	189,854	0.05239	2	877	0.05239	
2086	225	135,776	0.05013	0	472	0.05013	
2087	151	95,894	0.04797	0	237	0.04797	
2088	100	67,389	0.04590	0	109	0.04590	
2089	66	46,883	0.04393	0	44	0.04393	
2090	42	31,892	0.04204	0	15	0.04204	
2091	27	21,212	0.04023	0	4	0.04023	
2092	17	13,574	0.03849	0	0	0.03849	
2093	10	8,603	0.00000	0	0	0.00000	
2094	6	5,444	0.00000	0	0	0.00000	
2095	4	3,438	0.00000	0	0	0.00000	
2096	2	2,174	0.00000	0	0	0.00000	
2097	1	1,347	0.00000	0	0	0.00000	
2098	1	828	0.00000	0	0	0.00000	
PV of Future	91,813,889	331,738,601	361.32%	55,907,236	148,323,825	265.30%	

Virginia Specific Experience	
Orig Pricing LR used	58%
RI LR used	85%
Delta PV Future Inc Claims	8,789,335
Cumulative RI to date	0.0%
Delta PV Future Earned Prens	1,254,665
PV Future Earned Prens (Current Filing Excl Proposed RI)	4,177,719
% RI Calc w Texas Reprice Method	227.02%
% RI requested	106.00%

Future Cash flows: Current Filing w approved Rate Increase				Future Cash flows: Original Pricing		
Calendar Year	Future Earned Premiums	Future Incurred Claims	Disc Factor	Future Earned Premiums	Future Incurred Claims	Disc Factor
2018	177,938	110,806	0.98906	204,095	377,568	0.98906
2019	350,288	241,275	0.95694	374,085	397,834	0.95694
2020	342,658	270,195	0.91573	342,732	400,673	0.91573
2021	334,800	301,843	0.87630	313,519	402,848	0.87630
2022	326,673	336,197	0.83856	286,368	405,149	0.83856
2023	318,257	375,616	0.80245	261,205	406,717	0.80245
2024	309,575	421,066	0.76790	237,926	407,984	0.76790
2025	300,565	470,480	0.73483	216,418	409,723	0.73483
2026	291,197	525,057	0.70319	196,589	412,362	0.70319
2027	281,448	584,424	0.67290	178,342	415,750	0.67290
2028	271,307	650,010	0.64393	161,575	419,134	0.64393
2029	260,763	718,102	0.61620	146,194	421,831	0.61620
2030	249,881	789,516	0.58966	132,098	422,985	0.58966
2031	238,689	862,974	0.56427	119,189	423,785	0.56427
2032	227,251	935,116	0.53997	107,380	424,978	0.53997
2033	215,648	1,008,237	0.51672	96,581	425,329	0.51672
2034	203,950	1,078,139	0.49447	86,719	424,960	0.49447
2035	192,206	1,144,304	0.47318	77,717	424,276	0.47318
2036	180,495	1,206,281	0.45280	69,505	423,790	0.45280
2037	168,881	1,263,755	0.43330	62,027	423,187	0.43330
2038	157,419	1,318,964	0.41464	55,222	421,316	0.41464
2039	146,130	1,371,428	0.39679	49,037	417,518	0.39679
2040	135,031	1,416,891	0.37970	43,428	410,803	0.37970
2041	124,172	1,453,169	0.36335	38,346	402,804	0.36335
2042	113,609	1,480,521	0.34770	33,753	394,650	0.34770
2043	103,402	1,497,576	0.33273	29,615	384,842	0.33273
2044	93,608	1,508,246	0.31840	25,891	373,519	0.31840
2045	84,282	1,508,220	0.30469	22,553	361,090	0.30469
2046	75,462	1,494,285	0.29157	19,571	348,337	0.29157
2047	67,178	1,467,095	0.27902	16,914	335,406	0.27902
2048	59,443	1,422,142	0.26700	14,555	321,189	0.26700
2049	52,266	1,371,887	0.25550	12,471	305,383	0.25550
2050	45,669	1,313,922	0.24450	10,639	287,390	0.24450
2051	39,660	1,250,753	0.23397	9,031	268,623	0.23397
2052	34,244	1,185,138	0.22390	7,632	250,324	0.22390
2053	29,409	1,124,873	0.21425	6,416	231,407	0.21425
2054	25,124	1,066,025	0.20503	5,362	212,125	0.20503
2055	21,352	1,004,725	0.19620	4,459	193,022	0.19620
2056	18,054	943,016	0.18775	3,685	174,692	0.18775
2057	15,193	876,725	0.17967	3,026	157,597	0.17967
2058	12,724	812,803	0.17193	2,471	141,198	0.17193
2059	10,610	751,238	0.16453	2,004	125,482	0.16453
2060	8,809	690,181	0.15744	1,614	110,350	0.15744
2061	7,283	628,743	0.15066	1,290	96,126	0.15066
2062	5,998	569,131	0.14417	1,021	83,227	0.14417
2063	4,917	510,844	0.13796	803	71,276	0.13796
2064	4,010	456,158	0.13202	626	60,273	0.13202
2065	3,254	404,636	0.12634	484	50,319	0.12634
2066	2,625	357,612	0.12090	372	41,486	0.12090
2067	2,106	313,640	0.11569	282	33,881	0.11569
2068	1,678	270,578	0.11071	213	27,303	0.11071
2069	1,328	229,345	0.10594	159	21,690	0.10594
2070	1,042	192,676	0.10138	117	16,998	0.10138
2071	809	160,122	0.09701	87	13,084	0.09701
2072	621	131,513	0.09284	61	9,882	0.09284
2073	470	106,464	0.08884	41	7,316	0.08884
2074	351	84,885	0.08501	28	5,296	0.08501
2075	258	66,634	0.08135	18	3,731	0.08135
2076	186	51,328	0.07785	10	2,551	0.07785
2077	131	38,674	0.07450	7	1,698	0.07450
2078	91	28,390	0.07129	4	1,097	0.07129
2079	62	20,341	0.06822	2	689	0.06822
2080	41	14,253	0.06528	1	423	0.06528
2081	27	9,842	0.06247	1	255	0.06247
2082	18	6,756	0.05978	0	151	0.05978
2083	11	4,603	0.05721	0	87	0.05721
2084	7	3,121	0.05474	0	50	0.05474
2085	5	2,027	0.05239	0	28	0.05239
2086	3	1,233	0.05013	0	15	0.05013
2087	2	737	0.04797	0	7	0.04797
2088	1	439	0.04590	0	3	0.04590
2089	1	259	0.04393	0	1	0.04393
2090	0	153	0.04204	0	0	0.04204
2091	0	91	0.04023	0	0	0.04023
2092	0	54	0.03849	0	0	0.03849
2093	0	31	0.00000	0	0	0.00000
2094	0	18	0.00000	0	0	0.00000
2095	0	9	0.00000	0	0	0.00000
2096	0	2	0.00000	0	0	0.00000
2097	0	0	0.00000	0	0	0.00000
2098	0	0	0.00000	0	0	0.00000
PV of Future	4,177,719	16,377,454	392.02%	2,923,054	7,588,120	259.60%

VA GLTC2	
Cost Sharing Rate Increase Calculation	
Active premium paying policyholders	4,963
Total Issued Policies	14,245
% of Active Policyholders	34.8%
Original Pricing LLR	85.5%
Make Up Rate Increase	165.1%
If-Known Rate Increase	43.4%
Blended Rate Increase	85.8%
Cost Sharing Rate Increase	73.4%
Prior Rate Increase	0%
Maximum Allowable Rate Increase	73.4%

Blended increase			
Min	Max	Current Filing Blended Increase	Policyholder share of the increase
0	15%	15.0%	100%
15%	50%	35.0%	90%
50%	100%	35.8%	75%
100%	150%	0.0%	65%
150%	1000%	0.0%	50%
	Cumulative:	85.8%	



Meong Kwak, ASA
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Date: April 2, 2021

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Letter Dated February 17, 2021
GLTC-2 Re-Rate (Pre RS)

Dear Mr. Toone,

This is in response to your questions on February 21, 2021.

Objection 1

Please provide all projections and data elements required to calculate the increase allowed under the Prospective PV Approach and the Blended If-Knew/Make-up Approach (see attached description).

Please see the attached exhibits: NW Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf, VA Exp Pros Prem Reprice (Texas Method) Justified RI Calc.pdf, and VA GLTC2 Pre-RS Cost Sharing Approach.pdf. Please note that the experience reflects both Pre-RS and Post-RS GLTC2 policies as the requested 106% rate increase was based on the entire GLTC2 population. Please note that this is a different approach than the Post-RS GLTC2 response.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,
Meong Kwak, ASA
Associate Actuary
Prudential Long Term Care



Meong Kwak, ASA, MAAA
Associate Actuary
Prudential Long Term Care
2101 Welsh Rd
Dresher, PA 19125
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meong.kwak@prudential.com

Date: April 26, 2021

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Dated March 30, 2021
GLTC2 PreRS Re-Rate

Dear Mr. Toone,

This is in response to your objection on March 30, 2021.

Objection 1

Virginia Regulation 14VAC5-200-125 requires that every insurer with long-term care policies in Virginia shall report their premium rates and experience to the commission every year. We could find no record of any Long-Term Care Annual Rate Reports submitted for these policy forms. If they have been submitted, please provide the SERFF tracking numbers. Otherwise please explain why none have been submitted for these forms.

Based upon an e-mail exchange between the Department of Insurance and the company back in 2017, along with the state of Virginia's Administrative Letter 2016-02, Prudential believed that the annual rate filing requirements were limited to Individual Long Term Care Insurance Products and that Group Long Term Care Insurance Products were exempt from these requirements. If the state's position has changed on this matter, please advise.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

Meong Kwak, ASA, MAAA
Associate Actuary
Prudential Long Term Care



Mike Zilberman, FSA, MAAA
Prudential Long Term Care
745 Broad St
Newark, NJ 07102
Tel: (267)-229-4250
michael.zilberman@prudential.com

Date: November 11, 2021

To: Bobby Toone
Virginia Department of Insurance

Re: SERFF Tracking Number: PRUD-131998709
Objection Dated November 3, 2021
GLTC2 PreRS Re-Rate

Dear Mr. Toone,

This is in response to your objection on November 3, 2021.

Objection 1

The narrative included in the Rate Request Summary is showing a requested increase of 106%, as opposed to the new 73.4% increase shown in the Rate/Rule Schedule and the Actuarial Memorandum.

Please revise the narrative to show the correct rate increase and also the implementation of the increase over 2 years.

The narrative portion of the Rate Request Summary has been revised accordingly.

Objection 2

In section 13 of the Actuarial Memorandum, please revise the first paragraph to show the increase will be implemented over 2 years.

Section 13 of the Actuarial Memorandum has been revised accordingly and uploaded with this submission.

I appreciate your time and consideration. If there are any additional questions, please feel free to contact me.

Sincerely,

Mike Zilberman, FSA, MAAA
Director, Actuary
Prudential Long Term Care